

Filing at a Glance

Companies: Executive Risk Indemnity Inc., Federal Insurance Company

Product Name: ForeFront Portfolio and Power SERFF Tr Num: CHUB-125211376 State: Arkansas

Source for Health Care

TOI: 17.0 Other Liability - Claims

SERFF Status: Closed

State Tr Num: AR-PC-07-025339

Made/Occurrence

Sub-TOI: 17.0006 Directors & Officers Liability Co Tr Num: DO AR0036310F01

State Status:

Filing Type: Form

Co Status:

Reviewer(s): Betty Montesi, Edith Roberts

Authors: Donna Ronan, Lois

Disposition Date: 07-06-2007

Schroeder, Christina Cresenzi

Date Submitted: 07-05-2007

Disposition Status: Approved

Effective Date Requested (New): On Approval

Effective Date (New):

Effective Date Requested (Renewal): On Approval

Effective Date (Renewal):

General Information

Project Name:

Status of Filing in Domicile: Pending

Project Number: 00363

Domicile Status Comments:

Reference Organization: NA

Reference Number: NA

Reference Title: NA

Advisory Org. Circular: NA

Filing Status Changed: 07-06-2007

State Status Changed: 07-05-2007

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

In accordance with the laws of the State of Arkansas, we are filing the enclosed endorsements and 2 new applications applicable to the above products. These products were approved by the Department effective January 20, 2004 under our filing designation number DO AR0006610F01. The endorsements are optional and premium bearing. A corresponding Rating page is being filed under DO AR0036310R01

Enclosed with this letter to facilitate your review of ForeFront for Health Care Form filing are the following components:

Required State Forms (if applicable)

Filing Memorandum

Forms Listing (with appropriate number of sample copies of each form being submitted)

We propose to implement this Form filing for all policies effective on and after or upon your earliest review and approval. Should you have any questions, please call me at my direct number identified below.

Company and Contact

Filing Contact Information

Donna Ronan, Support Specialist
82 Hopmeadow Street
Simsbury, CT 06070-7683

ronand@chubb.com
(800) 464-7965 [Phone]
(860) 408-2047[FAX]

Filing Company Information

Executive Risk Indemnity Inc.
82 Hopmeadow Street
Simsbury, CT 06070
(800) 464-7965 ext. [Phone]

CoCode: 35181
Group Code: 38
Group Name:
FEIN Number: 13-2912259

State of Domicile: Delaware
Company Type:
State ID Number:

Federal Insurance Company
202 Hall's Mill Road
P.O. Box 1650
Whitehouse Station, NJ 08889-1650
(908) 572-4726 ext. [Phone]

CoCode: 20281
Group Code: 38

Group Name:
FEIN Number: 13-1963496

State of Domicile: Indiana
Company Type:

State ID Number:

Filing Fees

Fee Required?	Yes
Fee Amount:	\$100.00
Retaliatory?	No
Fee Explanation:	\$50 per company
Per Company:	No

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
00362502	\$50.00	06-06-2007
00362870	\$50.00	06-25-2007

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Edith Roberts	07-06-2007	07-06-2007

Disposition

Disposition Date: 07-06-2007

Effective Date (New):

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Filing Memo	Approved	Yes
Form	Power Source for Health Care New Business Application	Approved	Yes
Form	Power Source for Health Care Renewal Application	Approved	Yes
Form	Power Source for Health Care Organizations	Approved	Yes
Form	Power Source for Health Care Organizations (With Regulatory Exclusion)	Approved	Yes
Form	ForeFront Portfolio for Health Care New Business Application	Approved	Yes
Form	ForeFront Portfolio for Health Care Renewal Application	Approved	Yes
Form	ForeFront Portfolio for Health Care Organizations	Approved	Yes
Form	ForeFront Portfolio for Health Care Organizations (With Regulatory Exclusion)	Approved	Yes

Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Power Source for Health Care New Business Application	C34276	06/2007	Application/ New Binder/Enrollment		0.00	C34276.pdf
Approved	Power Source for Health Care Renewal Application	C34278	06/2007	Application/ New Binder/Enrollment		0.00	C34278.pdf
Approved	Power Source for Health Care Organizations	14-02-13226	06/2007	Endorsement/Amendment/Conditions		0.00	14-02-13226.pdf
Approved	Power Source for Health Care Organizations (With Regulatory Exclusion)	14-02-13227	06/2007	Endorsement/Amendment/Conditions		0.00	14-02-13227.pdf
Approved	ForeFront Portfolio for Health Care New Business Application	14-03-0799	06/2007	Application/ New Binder/Enrollment		0.00	14-03-0799.pdf
Approved	ForeFront Portfolio for Health Care Renewal Application	14-03-0802	06/2007	Application/ New Binder/Enrollment		0.00	14-03-0802.pdf
Approved	ForeFront Portfolio for Health Care Organizations	14-02-13146	06/2007	Endorsement/Amendment/Conditions		0.00	14-02-13146.pdf
Approved	ForeFront Portfolio for Health Care Organizations (With Regulatory Exclusion)	14-02-13147	06/2007	Endorsement/Amendment/Conditions		0.00	14-02-13147.pdf



BY COMPLETING THIS APPLICATION YOU ARE APPLYING FOR COVERAGE WITH
EXECUTIVE RISK INDEMNITY INC (THE "COMPANY")

NOTICE: THE LIABILITY COVERAGE SECTIONS OF POWER SOURCESM FOR HEALTH CARE PROVIDE CLAIMS MADE COVERAGE, WHICH APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD," OR ANY APPLICABLE EXTENDED REPORTING PERIOD. THE LIMIT OF LIABILITY TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY "DEFENSE COSTS," AND "DEFENSE COSTS" WILL BE APPLIED AGAINST THE RETENTION AMOUNT. IN NO EVENT WILL THE COMPANY BE LIABLE FOR "DEFENSE COSTS" OR OTHER "LOSS" IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY. READ THE ENTIRE APPLICATION CAREFULLY BEFORE SIGNING.

APPLICATION INSTRUCTIONS:

Whenever used in this Application, the term "**Applicant**" shall mean the Parent Corporation and all subsidiaries, unless otherwise stated.

I. GENERAL INFORMATION:

1. Name of **Applicant**: _____
2. Address of **Applicant**: _____
City: _____ State: _____ Zip Code: _____ Telephone: _____
Website: _____
3. State incorporation: _____ Date established: _____
4. Authorized individual (Executive Officer) to receive notices and information regarding the proposed coverage sections:
Name: _____ Title: _____
E-Mail Address: _____ Phone: _____ Fax: _____
5. Individual responsible for Human Resources or employment law matters:
Name: _____ Title: _____
E-Mail Address: _____ Phone: _____ Fax: _____

II. SPECIFIC INFORMATION:

1. Please indicate below which coverages are being requested.

Note: The requested coverage is not automatically provided; the terms and conditions of the coverage section, if issued, will determine actual coverage.

Application	Coverage Included	Limit of Liability Requested
<input type="checkbox"/> Power Source Application	<input type="checkbox"/> Directors and Officers Liability	\$ _____
	<input type="checkbox"/> Employment Practices Liability	\$ _____
	<input type="checkbox"/> Fiduciary Liability	\$ _____
	<input type="checkbox"/> Crime	\$ _____
	<input type="checkbox"/> Kidnap/Ransom and Extortion	\$ _____
	<input type="checkbox"/> Workplace Violence Expense	\$ _____



2. Describe nature of **Applicant's** business: _____
3. **Applicant** is a: ☐ Not-For-Profit Tax Exempt Corp. ☐ For-Profit Corp. ☐ Partnership
☐ Not-For-Profit Taxable Corp. ☐ Limited Liability Company
☐ Other (describe): _____
4. Please complete the following information:
- (a) Revenues: Previous twelve (12) months: _____ Projected next twelve (12) months: _____
- (b) Employees: Previous twelve (12) months: _____ Projected next twelve (12) months: _____
- (c) Total Assets: _____
5. Does the **Applicant** have any subsidiaries, joint ventures or affiliates or control any other entity or organization? ☐ Yes ☐ No
- If Yes, please attach a description of the operations, ownership, and the tax status of each such entity, and indicate whether coverage is requested for each such entity.
6. **Applicant's** Accreditation (note all that apply): ☐ JCAHO ☐ NCQA ☐ Other: _____
7. Has the **Applicant** in the past eighteen (18) months completed or agreed to, or does it contemplate during the next twelve (12) months, any of the following, whether or not such transactions were or will be completed:
- (a) Reorganization or arrangement with creditors under federal or state law? ☐ Yes ☐ No
- (b) Branch, location, facility, office, or subsidiary closings, consolidations or layoffs? ☐ Yes ☐ No
- (c) Mergers or acquisitions? ☐ Yes ☐ No
- If Yes to any part of Question 7, please describe the essential terms of each such transaction as an attachment.

III. DIRECTORS AND OFFICERS LIABILITY INFORMATION:

1. Does the **Applicant** now have tax exempt status under applicable federal, state and local law, including the U.S. Internal Revenue Code of 1986, as amended? ☐ Yes ☐ No
- If Yes, is any challenge to the **Applicant's** tax-exempt status pending or anticipated by any party, private or governmental? ☐ Yes ☐ No
- If Yes, please explain: _____
2. Has the **Applicant** or any person proposed for coverage been the subject of, or been involved in, any of the following during the past five (5) years:
- | | <u>Organization</u> | <u>Persons</u> |
|--|--|--|
| (a) Anti-trust, copyright or patent litigation? | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (b) Civil, criminal or administrative proceeding alleging violation of any federal or state securities laws? | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |



- (c) Any other criminal actions? ☐ Yes ☐ No ☐ Yes ☐ No

If Yes to any of the above in Question 2, please attach a full description of the details.

3. Other than those identified in your response to Question 2, has any civil proceeding been brought at any time during the last five (5) years against (a) any **Applicant** or (b) any proposed insured individual in his or her capacity as a director, officer, trustee or member of any duly constituted committee of any entity? ☐ Yes ☐ No

If Yes, please attach a full description of the details.

4. Please complete the following information (Attach separate sheet, if necessary):

Names of Director or Officer Shareholders	Voting Shares Owned
	%
Shareholders (include individual and corp. names) who are both non-directors and non-officers owning 5% or more of voting shares	Voting Shares Owned
	%

5. In the next twelve (12) months (or during the past two (2) years) is the **Applicant** contemplating (or has the **Applicant** completed or been in the process of completing) any public or private offering of securities or issuance of debt? ☐ Yes ☐ No

If Yes, please attach a full description of the details, including a copy of any prospectus.

6. Does the **Applicant** have any exclusive contracts with any providers? ☐ Yes ☐ No

If Yes, provide details by separate attachment.

7. Does the **Applicant** control more than twenty percent (20%) of the market share in any given geographical area of:
- (a) providers in any given field of practice, or (b) health care services? ☐ Yes ☐ No

If Yes to Question 7(a) or (b), please provide market share percentages by separate attachment.

8. (a) Name of Compliance Officer and title: _____

- (b) Does the Compliance Officer have direct access to the CEO or board? ☐ Yes ☐ No

9. Compliance Program in effect? ☐ Yes ☐ No

If Yes, date implemented? _____

If Yes, please submit copy of Compliance Program.

10. In the past 5 years, has any **Applicant** proposed for this insurance:

- (a) been subjected to any type of audit investigating whether it allegedly:
- (i) received overpayments for services provided? ☐ Yes ☐ No
- (ii) received payments for services not provided? ☐ Yes ☐ No
- (iii) violated any law? ☐ Yes ☐ No



- (b) entered into a criminal or civil settlement with the United States or with some party acting on behalf of the United States by which claims against such **Applicant** were resolved? ☐ Yes ☐ No

If Yes to Question 10(a) or (b), please explain: _____

IV. EMPLOYMENT PRACTICES LIABILITY AND THIRD PARTY LIABILITY INFORMATION:
Complete if coverage is requested.

- | | Current Year | Previous Year |
|--|---------------------|----------------------|
| 1. Number of Employees and Independent Contractors: | | |
| (a) Full-time employees: | _____ | _____ |
| (b) Part-time employees (include leased and seasonal): | _____ | _____ |
| (c) Volunteers: | _____ | _____ |
| (d) Employed Physicians: | _____ | _____ |
| (e) Independent Contractors: | _____ | _____ |
| (f) Employees located in California: | _____ | _____ |
2. Does the **Applicant** have written procedures in place regarding:
- | | |
|-----------------------------------|--|
| (a) Equal Opportunity Employment: | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (b) Anti-discrimination: | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (c) Anti-harassment: | <input type="checkbox"/> Yes <input type="checkbox"/> No |
- If No to any of the above, please attach a full explanation.
3. During the past 3 years, has any **Applicant** or any person proposed for coverage been involved in any capacity in any of the following matters?
- | | |
|--|--|
| (a) EEOC, NLRB or other similar administrative proceeding? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (b) Employment-related civil suit? | <input type="checkbox"/> Yes <input type="checkbox"/> No |

If Yes to either of the above in Question 3, please attach a full description of the details.

V. FIDUCIARY LIABILITY COVERAGE INFORMATION:

1. Please list the names and types of **Applicant's** employee benefits plan(s). Attach additional pages if needed.

Plan names (Do not include health & welfare plans)	Plan assets (current year)	Plan assets (previous year)	Type of plan*	Under funded by more than 25%? (DB only)	Number of plan participants

* Defined Contribution (DC), Defined Benefit (DB), Employee Stock Ownership (ESOP), Excess Benefit or Top Hat EBP)



2. Does the **Applicant** handle any investment decisions in-house? ☐ Yes ☐ No

If Yes, please describe: _____

3. In the past two (2) years, has the **Applicant** merged or terminated any plan(s)? ☐ Yes ☐ No

If Yes, please attach details including transaction date, status of asset distribution, whether similar benefits are being offered, and name of insurance carrier if terminated plan benefits are secured by insurance.

4. Are any plans NOT in compliance with plan agreements or ERISA? ☐ Yes ☐ No

If Yes, please explain: _____

5. Past activities:

(a) Has any fiduciary been:

(i) accused, found guilty or held liable for a breach of trust? ☐ Yes ☐ No

(ii) convicted of criminal conduct? ☐ Yes ☐ No

(b) Have any claims (other than for benefits) been made during the past three (3) years against any benefit program or any current or past fiduciaries? ☐ Yes ☐ No

(c) Has there been any assessment of fees, fines or penalties under any voluntary compliance resolution program or similar voluntary settlement program administered by the IRS, DOL or other government authority against any plan? ☐ Yes ☐ No

If Yes to any of the above in Question 5, please attach a full description of the details.

VI. CRIME COVERAGE INFORMATION:

1. Does the **Applicant** allow the employees who reconcile the monthly bank statements to also sign checks or handle deposits? ☐ Yes ☐ No

If Yes, please explain: _____

2. What is the limit above which the **Applicant** requires countersignature for their checks? \$ _____

3. Please describe the services the **Applicant** provides for clients (including, but not limited to, accounting, payroll or purchasing functions): _____

4. Number of: domestic locations: _____; foreign locations: _____ and countries _____

5. Does the **Applicant** perform pre-employment reference checks for all its potential employees? ☐ Yes ☐ No

6. List all employee theft, forgery, computer fraud or other crime losses discovered by the **Applicant** in the last 5 years, itemizing each loss separately. Include date of loss, description and total amount of loss. (Attach additional pages if necessary.) _____



VII. KIDNAP/RANSOM & EXTORTION COVERAGE INFORMATION:

1. Please complete the following regarding **Applicant's** risk profile:

List countries in which you have operations	Type of operation	Number of locations	Number of employees	Revenues
U.S. and Canada				\$
				\$
				\$
TOTAL:				\$

2. Please complete the following information regarding the foreign travel of the **Applicant's** employees:

Travel destination by country	Number of annual trips	Average length of stay	Number of employees traveling

3. Does the Applicant have a nursery, pediatric floor and/or an on-site child care/day care center? ☐ Yes ☐ No

If Yes, provide a brief description by separate attachment of the security measures used to ensure their safety. _____

4. Has the **Applicant** had any incidents or threats with respect to infant abductions during the past five (5) years? ☐ Yes ☐ No

If Yes, please provide details by separate attachment.

5. List all kidnapping, extortion threat, cyber extortion, hijacking, wrongful detention or political threat events discovered by the **Applicant** in the last five (5) years, which would have been covered under the policy for which this **Application** is made, itemizing each loss separately. Include date of loss, threat or event; description of the loss, threat or event; and total amount of each loss. Attach additional pages if necessary.

VIII. WORKPLACE VIOLENCE COVERAGE INFORMATION:

1. Does the **Applicant**:

- (a) Have an Employee Assistance Program (EAP)? ☐ Yes ☐ No
- (b) Have a progressive discipline policy? ☐ Yes ☐ No
- (c) Have an employee complaint/grievance resolution procedure? ☐ Yes ☐ No
- (d) Have a customer complaint/grievance resolution procedure? ☐ Yes ☐ No



- (e) Have a written policy on workplace violence that is circulated to all employees? ☐ Yes ☐ No
- (f) Train supervisory and management employees to recognize, report and respond to potentially hostile employees or situations? ☐ Yes ☐ No
- (g) Have a process for performing background checks for potential employees? ☐ Yes ☐ No

If Yes, please explain: _____

2. What security precautions does the **Applicant** have in place to limit access to its premises from hostile or volatile persons? _____

WORKPLACE VIOLENCE LOSS EXPERIENCE:

3. List all workplace violence losses discovered by the **Applicant** in the last 5 years, itemizing each loss separately. Include date of loss, description and total amount of loss. (Attach additional pages if necessary.) Check if none: ☐
- _____

IX. CURRENT INSURANCE INFORMATION:

Coverage Sections	The Applicant currently purchases this coverage		Current Limit of Liability	Current Retention	Premium	Current Carrier
	Yes	No				
Directors & Officers And Corporate Liability			\$	\$	\$	
Employment Practices Liability and Third Party Liability			\$	\$	\$	
Fiduciary Liability			\$	\$	\$	
Crime			\$	\$	\$	
Kidnap Ransom & Extortion			\$	\$	\$	
Workplace Violence			\$	\$	\$	
Medical Professional Liability			\$	\$	\$	
Managed Care Errors & Omissions			\$	\$	\$	

X. CLAIMS AND REPRESENTATIONS/PRIOR KNOWLEDGE OF FACTS/CIRCUMSTANCES:



1. During the past five (5) years, neither the **Applicant** nor any individual or entity proposed for coverage has submitted any claims or given notice of any fact, circumstance, situation, transaction, event, act, error, or omission which they had reason to believe might or could reasonably be foreseen to give rise to a claim that might fall within the scope of insurance with any insurer or self-insurance instrument of which the requested coverages would be a direct or indirect replacement, except as follows:

If the answer is none, so state: _____

NOTE: WITHOUT PREJUDICE TO ANY OTHER RIGHTS OR REMEDIES OF THE COMPANY, IT IS AGREED THAT ANY CLAIM REQUIRED TO BE DISCLOSED IN RESPONSE TO QUESTION 1 IS EXCLUDED FROM THE PROPOSED INSURANCE, AND THAT ANY CLAIM ARISING FROM ANY FACT, CIRCUMSTANCE, SITUATION, TRANSACTION, EVENT, ACT, ERROR, OR OMISSION REQUIRED TO BE DISCLOSED IN RESPONSE TO QUESTION 1 IS EXCLUDED FROM THE PROPOSED INSURANCE.

2. Neither the **Applicant** nor any individual or entity proposed for coverage is aware of any fact, circumstance, situation, transaction, event, act, error or omission which they have reason to believe may or could reasonably be foreseen to give rise to a claim that may fall within the scope of the proposed insurance, except as follows:

If the answer is none, so state: _____

NOTE: WITHOUT PREJUDICE TO ANY OTHER RIGHTS OR REMEDIES OF THE COMPANY, IT IS AGREED THAT ANY CLAIM ARISING FROM ANY FACT, CIRCUMSTANCE, SITUATION, TRANSACTION, EVENT, ACT, ERROR OR OMISSION REQUIRED TO BE DISCLOSED IN RESPONSE TO QUESTION 2 IS EXCLUDED FROM THE PROPOSED INSURANCE.

XI. MATERIAL CHANGE:

If there is any material change in the answers to the questions in this Application before the policy inception date, the **Applicant** must immediately notify the Company in writing, and any outstanding quotation may be modified or withdrawn.

XII. DECLARATIONS, FRAUD WARNINGS AND SIGNATURES:

The **Applicant's** submission of this Application does not obligate the Insurer to issue, or the **Applicant** to purchase, a policy. The **Applicant** will be advised if the Application for coverage is accepted. The **Applicant** hereby authorizes the Insurer to make any inquiry in connection with this Application.

The undersigned authorized agents of the person(s) and entity(ies) proposed for this insurance declare to the best of their knowledge and belief, after reasonable inquiry, the statements made in this Application and any attachments or information submitted with this Application, are true and complete. The undersigned agree that this Application and its attachments shall be the basis of a contract should a policy providing the requested coverage be issued and shall be deemed to be attached to and shall form a part of any such policy. The Insurer will have relied upon this Application, its attachments, and such other information submitted therewith in issuing such policy.

The information provided in this Application is for underwriting purposes only and does not constitute notice to the Insurer under any policy of a Claim or potential Claim.

Notice to Arkansas, Louisiana, Maryland, Minnesota, New Mexico and Ohio Applicants: Any person who, with intent to defraud or knowing that he/she is facilitating a fraud against an insurer, submits an application or



files a claim containing a false, fraudulent or deceptive statement is, or may be found to be, guilty of insurance fraud, which is a crime, and may be subject to civil fines and criminal penalties.

Notice to Colorado Applicants: It is unlawful to knowingly provide false, incomplete or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policy holder or claimant for the purpose of defrauding or attempting to defraud the policy holder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory agencies.

Notice of District of Columbia, Maine, Tennessee and Virginia Applicants: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

Notice to Florida and Oklahoma Applicants: Any person who, knowingly and with intent to injure, defraud or deceive any employer or employee, insurance company, or self-insured program, files a statement of claim containing any false or misleading information is guilty of a felony (in Oklahoma) or a felony of the third degree (in Florida).

Notice to Kentucky Applicants: Any person who, knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any material fact thereto, commits a fraudulent insurance act which is a crime.

Notice to New Jersey Applicants: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

Notice to Oregon and Texas Applicants: Any person who makes an intentional misstatement that is material to the risk may be found guilty of insurance fraud by a court of law.

Notice to Pennsylvania and New York Applicants: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation (in New York) or criminal and civil penalties (in Pennsylvania).

Date

Signature*

Title

Chief Executive Officer

*This Application must be signed by the chief executive officer of the **Applicant** acting as the authorized representative of the person(s) and entity(ies) proposed for this insurance.

XIII. PLEASE ATTACH A COPY OF THE FOLLOWING REQUIRED INFORMATION FOR EVERY APPLICANT SEEKING COVERAGE:

- ☐ When requesting Directors & Officers Liability, Corporate Liability, Employment Practices Liability or Fiduciary Liability coverage, the most recent annual financial statements, audited if outside audits are performed.

Produced By: Agent: _____ Agency: _____
Agency Taxpayer ID or SS No.: _____ Agent License No.: _____



Chubb Group of Insurance Companies
15 Mountain View Road
Warren, New Jersey 07059

Power SourceSM for Health Care
New Business Application

Address (Street, City, State, Zip): _____

Submitted By: Agency: _____

Agency Taxpayer ID or SS No.: _____ Agent License No.: _____

Address (Street, City, State, Zip): _____



BY COMPLETING THIS RENEWAL APPLICATION YOU ARE APPLYING FOR COVERAGE WITH
EXECUTIVE RISK INDEMNITY INC (THE "COMPANY")

NOTICE: THE LIABILITY COVERAGE SECTIONS OF POWER SOURCESM FOR HEALTH CARE PROVIDE CLAIMS-MADE COVERAGE, WHICH APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD," OR ANY APPLICABLE EXTENDED REPORTING PERIOD. THE LIMIT OF LIABILITY TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY "DEFENSE COSTS," AND "DEFENSE COSTS" WILL BE APPLIED AGAINST THE RETENTION AMOUNT. IN NO EVENT WILL THE COMPANY BE LIABLE FOR "DEFENSE COSTS" OR OTHER "LOSS" IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY. READ THE ENTIRE RENEWAL APPLICATION CAREFULLY BEFORE SIGNING.

RENEWAL APPLICATION INSTRUCTIONS

Whenever used in this Renewal Application, the term "**Applicant**" shall mean the Parent Corporation and all subsidiaries, unless otherwise stated.

I. GENERAL INFORMATION:

1. Name of **Applicant**: _____
2. Address of **Applicant**: _____
City: _____ State: _____ Zip Code: _____ Telephone: _____
Website: _____

II. SPECIFIC INFORMATION:

1. Please indicate below which Power SourceSM for Health Care coverages for which the **Applicant** seeks renewal:

<input type="checkbox"/> Directors & Officers Liability	<input type="checkbox"/> Fiduciary Liability	<input type="checkbox"/> Workplace Violence
<input type="checkbox"/> Employment Practices Liability	<input type="checkbox"/> Kidnap/Ransom & Extortion	<input type="checkbox"/> Crime
2. **Applicant's** total revenue as of the most recent fiscal year end: \$ _____
3. **Applicant's** total assets as of the most recent fiscal year end: \$ _____
4. Cash flow from operations as of the most recent fiscal year end: \$ _____
5. Has the **Applicant** in the past twelve (12) months completed or agreed to, or does it contemplate during the next twelve (12) months, any of the following, whether or not such transactions were or will be completed:
 - a) Reorganization or arrangement with creditors under federal or state law? ☐ Yes ☐ No
 - b) Branch, location, facility, office, or subsidiary closings, consolidations or layoffs? ☐ Yes ☐ No
 - c) Mergers and/or acquisitions? ☐ Yes ☐ No
 - d) Entering into new governmental contracts? ☐ Yes ☐ No
 - e) Conversion from non-profit to for-profit status? ☐ Yes ☐ No
 - f) Undertaking new areas of business? ☐ Yes ☐ No



If Yes to any part of Question 5, please describe the essential terms of each such transaction as an attachment.

III. DIRECTORS AND OFFICERS LIABILITY INFORMATION:

1. In the next twelve (12) months (or during the past twelve (12) months) is the **Applicant** contemplating (or has the **Applicant** completed or been in the process of completing) any public or private offering of securities or issuance of debt? ☐ Yes ☐ No

If Yes, please attach a full description of the details, including a copy of any prospectus.

2. a) Over the past twelve (12) months, has there been any change in the board of directors? ☐ Yes ☐ No

b) Current number of members on board of directors; trustees; member managers; or equivalent _____

c) Current total outstanding shares, units, or interest _____

If Yes to Question 2(a) above, please explain: _____

3. Please list all non-director and non-officer shareholders who directly or beneficially hold common stock and the percentage owned by each (if none, so indicate).

Non director or non officer shareholders:

Number of voting shares owned:

4. Does the **Applicant** now have tax exempt status under applicable federal, state and local law, including the U.S. Internal Revenue Code of 1986, as amended? ☐ Yes ☐ No

If Yes, is any challenge to the **Applicant's** tax-exempt status pending or anticipated by any party, private or governmental? ☐ Yes ☐ No

If Yes, please explain: _____

5. Has there been any change in the **Applicant's** ownership structure within the last 12 months? ☐ Yes ☐ No

If Yes, attach a full description of ownership structure.

6. Over the past twelve (12) months has **Applicant** entered into any exclusive contracts with any providers? ☐ Yes ☐ No

If Yes, provide details by separate attachment.

7. Over the past twelve (12) months has **Applicant** controlled more than twenty percent (20%) of the market share in any given geographical area of:

(a) providers in any given field of practice; or (b) health care services? ☐ Yes ☐ No

If Yes to Question 7(a) or (b), please provide market share percentages by separate attachment.



8. (a) Name of Compliance Officer and title: _____
- (b) Does the Compliance Officer have direct access to the CEO or board? ☐ Yes ☐ No
9. Compliance Program in effect? ☐ Yes ☐ No
- If Yes, date implemented? _____
- If Yes, please submit copy of Compliance Program.

IV. EMPLOYMENT PRACTICES INFORMATION:

1. Employee & Independent Contractor count: **Current Year**
- (a) Full-time employees: _____
- (b) Part-time employees (include leased and seasonal): _____
- (c) Volunteers: _____
- (d) Employed Physicians: _____
- (e) Independent Contractors: _____
- (f) Employees located in California: _____
2. Within the last year has the **Applicant** updated its employment practices handbook, or human resources policies and procedures or department? ☐ Yes ☐ No
- If the **Applicant** answered Yes, please attach a copy of updated materials and a description of changes.
3. Number of employees who have left the **Applicant** over the past 12 months:
- Voluntary _____ Involuntary _____

V. FIDUCIARY LIABILITY COVERAGE INFORMATION:

1. Please list the names and types of **Applicant's** employee benefits plan(s)

Plan names (Do not include health & welfare plans)	Plan assets (current year)	Plan assets (previous year)	Type of plan*	Under funded by more than 25%? (DB only)	Number of plan participants

* Defined Contribution (DC), Defined Benefit (DB), Employee Stock Ownership (ESOP), Excess Benefit or Top Hat (EBP)



2. In the next 12 months is the **Applicant** contemplating (or has the **Applicant** completed within the last year) merging or terminating any plan(s)? ☐ Yes ☐ No

If Yes, please explain: _____

VI. CRIME COVERAGE INFORMATION:

1. Does the **Applicant** allow the employees who reconcile the monthly bank statements to also sign checks or handle deposits ☐ Yes ☐ No

If Yes, please explain: _____

2. Does the **Applicant** have procedures in place to verify the existence and ownership of all new vendors prior adding them to the authorized master vendor list? ☐ Yes ☐ No

3. Does the **Applicant** verify invoices against a corresponding purchase order, receiving report and the authorized master vendor list prior to issuing payment? ☐ Yes ☐ No

4. How often does the **Applicant** perform a physical inventory check of stock and equipment? _____

5. What is the limit above which the **Applicant** requires countersignature for their checks? \$ _____

VII. KIDNAP/RANSOM & EXTORTION COVERAGE INFORMATION:

1. Please complete the following information regarding the foreign travel of the **Applicant's** employees:

Travel destination by country	Number of annual trips	Average length of stay	Number of employees traveling

2. Describe the **Applicant's** security precautions taken for foreign travel: _____

3. Does the **Applicant** have a nursery, pediatric floor and/or an on-site child care/day care center? ☐ Yes ☐ No

If Yes, provide a brief description by separate attachment of the security measures used to ensure their safety.

VIII. WORKPLACE VIOLENCE COVERAGE INFORMATION:

1. Does the **Applicant**:
- (a) Have an Employee Assistance Program (EAP)? ☐ Yes ☐ No
 - (b) Have a progressive discipline policy? ☐ Yes ☐ No
 - (c) Have an employee complaint/grievance resolution procedure? ☐ Yes ☐ No
 - (d) Have a customer complaint/grievance resolution procedure? ☐ Yes ☐ No



- (e) Have a written policy on workplace violence that is circulated to all employees? ☐ Yes ☐ No
- (f) Train supervisory and management employees to recognize, report and respond to potentially hostile employees or situations? ☐ Yes ☐ No
- (g) Have a process for performing background checks for potential employees? ☐ Yes ☐ No

If Yes, please explain: _____

2. What security precautions does the **Applicant** have in place to limit access to its premises from hostile or volatile persons? _____

IX. MATERIAL CHANGE:

If any information provided in this Renewal Application changes materially before the policy inception date, the **Applicant** must immediately notify the Company in writing, and any outstanding quotation may be modified or withdrawn.

X. DECLARATIONS, FRAUD WARNINGS AND SIGNATURE:

The **Applicant's** submission of this Renewal Application does not obligate the Company to issue, or the **Applicant** to purchase, a policy. The **Applicant** will be advised if the Renewal Application for coverage is accepted. The **Applicant** hereby authorizes the Company to make any inquiry in connection with this Renewal Application.

The undersigned authorized agent of the person(s) and entity(ies) proposed for this insurance declares that to the best of his or her knowledge and belief, after reasonable inquiry, that the statements made in this Renewal Application and in any attachments or other documents submitted with this Renewal Application are true and complete. The undersigned agrees that this Renewal Application, such attachments and other documents, and all other signed applications submitted by the **Applicant** to the Company for the proposed insurance or any other insurance contract of which the proposed insurance is a direct or indirect renewal or replacement shall be the basis of the insurance policy should a policy providing the requested coverage be issued; that all such materials shall be deemed to be attached to and shall form a part of any such policy; and that the Company will have relied on all such materials in issuing any such policy.

The information requested in this Renewal Application is for underwriting purposes only and does not constitute notice to the Company under any policy of a Claim or potential Claim.

Notice to Arkansas, Louisiana, Maryland, Minnesota, New Mexico and Ohio Applicants: Any person who, with intent to defraud or knowing that he/she is facilitating a fraud against an insurer, submits an application or files a claim containing a false, fraudulent or deceptive statement is, or may be found to be, guilty of insurance fraud, which is a crime, and may be subject to civil fines and criminal penalties.

Notice to Colorado Applicants: It is unlawful to knowingly provide false, incomplete or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policy holder or claimant for the purpose of defrauding or attempting to defraud the policy holder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory agencies.



Notice to District of Columbia, Maine, Tennessee and Virginia Applicants: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

Notice to Florida and Oklahoma Applicants: Any person who, knowingly and with intent to injure, defraud or deceive any employer or employee, insurance company, or self-insured program, files a statement of claim containing any false or misleading information is guilty of: a felony (in Oklahoma) or a felony of the third degree (in Florida).

Notice to Kentucky Applicants: Any person who, knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any material fact thereto, commits a fraudulent insurance act which is a crime.

Notice to New Jersey Applicants: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

Notice to Oregon and Texas Applicants: Any person who makes an intentional misstatement that is material to the risk may be found guilty of insurance fraud by a court of law.

Notice to New York and Pennsylvania Applicants: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and shall also be subject to: a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation (in New York) or criminal and civil penalties (in Pennsylvania).

Date

Signature*

Title

Chief Executive Officer

*This Renewal Application must be signed by the chief executive officer of the **Applicant** acting as the authorized representative of the person(s) and entity(ies) proposed for this insurance.

XI. PLEASE ATTACH A COPY OF THE FOLLOWING REQUIRED INFORMATION FOR EVERY APPLICANT SEEKING COVERAGE:

- ☐ Most recent annual financial statements, audited if outside audits are performed;
- ☐ Most recent audited pension financial statements for each defined benefit plan (applicable to Fiduciary Liability coverage only);
- ☐ Most recent CPA Letter to Management and management's response (if this Letter is not issued, so indicate);
- ☐ Most recent EEO-1 Report (applicable to Employment Practices Liability coverage only).

Produced By: Agent: _____ Agency: _____

Agency Taxpayer ID or SS No.: _____ Agent License No.: _____

Address (Street, City, State, Zip): _____

Submitted By: Agency: _____

Agency Taxpayer ID or SS No.: _____ Agent License No.: _____

Address (Street, City, State, Zip): _____

ENDORSEMENT/RIDER

<COVSECT>

Effective date of
this endorsement/rider: <TRXEFFDATE>

<CARRNAME>

Endorsement/Rider No. <EN>

To be attached to and
form a part of Policy No. <POLICYNO>

Issued to: <ACCTNAME>

POWER SOURCESM FOR HEALTH CARE ORGANIZATIONS

In consideration of the premium charged, it is agreed that:

- (1) No coverage will be available under this policy under the Miscellaneous Professional Liability Coverage Section of this policy. Accordingly, Item 4 of the Declarations shall be deemed amended to affect the intent and purpose of this paragraph (1).
- (2) The Directors and Officers Liability Coverage Section of this policy, if purchased, is amended as follows:
 - (a) Subparagraph (1) of the term **Executive**, as defined in Subsection II(F), is amended by adding the following:

trustee,

trustee emeritus,

department head, and

executive director.
 - (b) The definition of **Loss** in Subsection II(L) is amended by adding the following:
 - (i) **Loss** includes any fines and penalties levied against any **Insured** for violation of the Emergency Medical Treatment and Active Labor Act, as amended ("EMTALA Fines and Penalties");
 - (ii) **Loss** includes any fines and penalties levied against any **Insured** for violation of Title II of the Health Insurance Portability and Accountability Act of 1996, amendments to such law or regulations promulgated under such law concerning privacy of health information ("HIPAA Fines and Penalties"); provided that the coverage afforded by this coverage section shall apply only if and to the extent that indemnification by the **Insured Organization** for such violation is not expressly prohibited in the by-laws, certificate of incorporation or other organizational documents of the **Insured Organization**;
 - (iii) **Loss** includes any fines and penalties levied against any **Non-profit Insured Organization** or the **Insured Persons** thereof for violation of any provision of the Internal Revenue Code of 1986, as amended ("IRC Fines and Penalties"); provided that the coverage afforded by this coverage section shall apply only if and to the extent the **Non-profit Insured Organization** or the **Insured Persons** thereof relied upon, with respect to the matters giving rise to such violation: (1) a written "more likely than not" or "will"

opinion of tax counsel licensed to practice law in the United States or Certified Public Accountant or Accounting Firm, or (2) a tax return prepared by a Certified Public Accountant or Accounting Firm duly appointed by the Board of Trustees of the **Non-profit Insured Organization**; and

- (iv) **Loss** includes any **Excess Benefit Transaction Excise Tax**; provided that the coverage afforded by this coverage section shall apply only if and to the extent that indemnification by the **Insured Organization** for such **Excess Benefit Transaction Excise Tax** is not expressly prohibited in the by-laws, certificate of incorporation or other organizational documents of the **Insured Organization**.
- (c) The definition of Wrongful Act in Subsection II(U) is amended to include, a **Regulatory Wrongful Act**.
- (d) Subsection II is amended by adding the following definitions:

Claims Services means the following services, but only if performed by an **Insured**: the submission, handling, investigation, payment or adjustment of claims for benefits or coverage under health care or workers' compensation plans.

Excess Benefit Transaction Excise Tax means any excise tax imposed by the Internal Revenue Service on an **Insured Person** who is an **Insured Organization Manager** as a result of such **Insured Person's** participation in an **Excess Benefit Transaction**.

Excess Benefit Transaction means an "excess benefit transaction" as that term is defined in Section 4958 of the Internal Revenue Code of 1986, as amended.

Insurance Contract means any policy or agreement of insurance, reinsurance or indemnity, including, but not limited to, bonds, annuities, endowments, health care plans or health care products, dental plans or dental products, life insurance plans or life insurance products, disability plans or disability products, pension contracts and risk management self-insurance programs, pools or similar programs, and shall include any policy or program of stop loss or provider excess insurance, reinsurance or self-insurance.

Insured Organization Manager means an "organization manager" as that term is defined in Section 4958 of the Internal Revenue Code of 1986, as amended.

Managed Care Activity means any of the following services or activities: **Utilization Review**; **Claim Services**; reviewing the quality of **Medical Services** or providing quality assurance; wellness or health promotion education; development or implementation of clinical guidelines, practice parameters or protocols; triage for payment of **Medical Services**; and services or activities performed in the administration or management of health care or workers' compensation plans.

Medical Services means health care, medical care, or treatment provided to any individual, including medical, surgical, dental, psychiatric, mental health, chiropractic, osteopathic, nursing or other professional health care; the use, prescription, furnishing or dispensing of medications, drugs, blood, blood products or medical, surgical, dental or psychiatric supplies, equipment or appliances in connection with such care; the furnishing of food or beverages in connection with such care; counseling or other social services in connection with such care; and the handling of, or the performance of post-mortem examinations on, human bodies.

Non-profit Insured Organization means any non-profit corporation, community chest, fund or foundation that is included in the definition of **Insured Organization** and that is exempt from federal income tax as a organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or any other **Insured Organization** organized for a religious or charitable purpose under any non-profit organization act or statute.

Nuclear Materials means any nuclear or radioactive substance or hazardous properties resulting from any nuclear reaction, nuclear radiation or radioactive contamination.

Provider Selection Practice means the evaluation, selection, credentialing, privileging or performing peer review of, or contracting with, any independently practicing health care professional providing medical services, including but not limited to physicians, surgeons, dentists, residents, fellows and doctorate professionals.

Regulatory Wrongful Act means any actual or alleged violation by an Insured of the responsibilities, obligations or duties imposed by the Federal False Claims Act or any similar federal, state, or local statutory law or common law anywhere in the world, any federal, state, or local anti-kickback, self-referral or healthcare fraud and abuse law anywhere in the world, or amendments to or regulations promulgated under any such law.

Utilization Review means the process of evaluating the appropriateness, necessity or cost of **Medical Services** for purposes of determining whether payment or coverage for such **Medical Services** will be authorized or paid for under any health care plan, but only if performed by an **Insured**. In clarification and not in limitation of the foregoing, **Utilization Review** shall include prospective review of proposed payment or coverage for **Medical Services**, concurrent review of ongoing **Medical Services**, retrospective review of already rendered **Medical Services** or already incurred costs, disease management, and case management.

(e) Subsection III(A)(4) is deleted and replaced by the following:

(4) based upon, arising from, or in consequence of bodily injury, mental anguish, emotional distress, humiliation, sickness, disease or death of any person or damage to or destruction of any tangible property including loss of use thereof whether or not it is damaged or destroyed; provided that this Exclusion (A)(4) shall not apply to mental anguish, humiliation or emotional distress asserted in an employment-related **D&O Claim**;

(f) Subsection III(A)(9) is amended by adding the following to the end thereof:

(c) involving tax exempt bonds and tax exempt bond holders;

(g) No coverage will be available under this coverage section for any **Claim** against an **Insured** based upon, arising from or in consequence of:

(i) any actual, alleged, or threatened exposure to, or generation, storage, transportation, discharge, emission, release, dispersal, escape, treatment, removal or disposal of any **Nuclear Materials**; or

(ii) any regulation, order, direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize any **Nuclear Materials**, or any action taken in contemplation or anticipation of any such regulation, order, direction or request,

including but not limited to any **Claim** for financial loss to the **Insured Organization**, the **Outside Entity**, or any members, securityholders or creditors of the **Insured Organization** or **Outside Entity** based upon, arising from, or in consequence of any matter described in clause (i) or clause (ii) of this Exclusion.

(h) No coverage will be available under this coverage section for any **Claim** against an **Insured** based upon, arising from or in consequence of:

(i) any actual or alleged refusal to offer, issue or renew, or any cancellation of, any **Insurance Contract**;

- (ii) any actual or alleged lack of good faith or unfair dealing in the handling of any claim or obligation under any **Insurance Contract**, or the brokering or underwriting of insurance policies or risks;
 - (iii) any actual or alleged conduct of any **Insured** in the negotiation, placement or maintenance of any **Insurance Contract**;
 - (iv) any failure to collect or pay premiums, commissions, brokerage charges, fees or taxes;
 - (v) any failure to obtain, effect or maintain insurance or reinsurance;
 - (vi) any failure to obtain, effect or maintain stop loss or provider excess coverage, whether by way of insurance, reinsurance or self-insurance;
 - (vii) any actuarial determination including without limitation opinions as to reserve adequacy or pricing adequacy;
 - (viii) any commingling or mishandling of funds with respect to any **Managed Care Activities** or any **Insurance Contract**;
 - (ix) the rendering of professional services for others in the **Insured's** capacity as an investment counselor, manager or advisor, investment banker, securities broker or dealer, financial planner or analyst, insurance agent or broker, general partner, limited partner or partnership unit distributor, or any similar capacity;
 - (x) the offering or sale of shares of any unit investment trust or management investment company or of variable annuity plans;
 - (xi) any diminution of assets in connection with the activities described in subparagraph (x) above; or
 - (xii) any error, misstatement, misleading statement, act, omission, neglect, or breach of duty in the performance of, or failure to perform any **Managed Care Activity** or **Provider Selection Practice** by any **Insured** or by any individual or entity for whose acts, errors or omissions an **Insured** is legally responsible.
- (i) The following Subsection is added to this coverage section:

SUBLIMITS OF LIABILITY

- (A) The Company's maximum aggregate liability for HIPAA Fines and Penalties on account of all **Claims** first made during the **Policy Period** shall be twenty-five thousand dollars (\$25,000), which amount shall be part of, and not in addition to, the Company's Maximum Aggregate Limit of Liability for the Directors and Officers Liability Coverage Section set forth in Item 4 of the Declarations.
- (B) The Company's maximum aggregate liability for EMTALA Fines and Penalties on account of all **Claims** first made during the **Policy Period** shall be fifty thousand dollars (\$50,000), which amount shall be part of, and not in addition to, the Company's Maximum Aggregate Limit of Liability for the Directors and Officers Liability Coverage Section set forth in Item 4 of the Declarations.
- (C) The Company's maximum aggregate liability for IRC Fines and Penalties on account of all **Claims** first made during the **Policy Period** shall be fifty thousand dollars (\$50,000), which amount shall be part of, and not in addition to, the Company's Maximum Aggregate Limit of Liability for the Directors and Officers Liability Coverage Section set forth in Item 4 of the Declarations.

- (D) The Company's maximum aggregate liability for **Excess Benefit Transaction Excise Taxes** on account of all **Claims** first made during the **Policy Period** shall be ten thousand dollars (\$10,000), which amount shall be part of, and not in addition to, the Company's Maximum Aggregate Limit of Liability for the Directors and Officers Liability Coverage Section set forth in Item 4 of the Declarations.
- (j) The following Subsection is added to this coverage section:
- CLAIMS FOR REGULATORY WRONGFUL ACTS**
- (A) No coverage will be available under this coverage section for **Loss** other than **Defense Costs** on account of any **Claim** for any **Regulatory Wrongful Act**.
- (B) The Company's maximum aggregate liability for all **Defense Costs** on account of all **Claims for Regulatory Wrongful Acts** first made during the **Policy Period** shall be one million dollars (\$1,000,000), which amount shall be part of, and not in addition to, the **Company's** Maximum Aggregate Limit of Liability for the Directors and Officers Liability Coverage Section set forth in Item 4 of the Declarations.
- (C) To the extent that covered **Defense Costs** resulting from any **Claim** for any **Regulatory Wrongful Act** is in excess of the applicable **Deductible Amount**, the **Insureds** shall bear uninsured and at their own risk fifty percent (50%) and the **Company's** liability shall apply only to the remaining percentage of such **Defense Costs**.
- (D) Solely with respect to **Claims for Regulatory Wrongful Acts**, Item 8 Deductible Amounts of the Declarations is deleted and replaced by the following:
- Claims for Regulatory Wrongful Acts: \$1,000,000**
- (E) Solely with respect to **Claims for Regulatory Wrongful Acts**, Item 10 Pending or Prior Litigation Dates of the Declarations is deleted and replaced by the following:
- <1STDATEOFCVG>
- (F) Notwithstanding anything to the contrary in Subsection III(A)(1) of this coverage section, no coverage will be available under this coverage section for an **Claim** for any **Regulatory Wrongful Act** against an **Insured** based upon, arising from, or in consequence of any fact, circumstance, situation, transaction, event or **Regulatory Wrongful Act** that, before <1STDATEOFCVG>, was the subject of any notice given under any policy or coverage section of which this coverage section is a direct or indirect renewal or replacement.
- (G) Notwithstanding anything to the contrary in Subsection IX of the General Terms and Conditions of this policy, solely with respect to any **Claim** for any **Regulatory Wrongful Act** under this coverage section:
- (1) It shall be the duty of the **Insureds** and not the duty of the Company to defend **Claims** made against the **Insureds**.
 - (2) The Company may make any investigation it deems necessary.
 - (3) The **Insureds** agree not to settle or offer to settle any **Claim**, incur any **Defense Costs** or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without the Company's prior written consent. The Company shall not be liable for any settlement made, for any element of **Loss** incurred, for any obligation assumed, or for any admission made by any Insured without the Company's prior written consent. Provided the **Insureds** comply with

Subparagraphs (4) and (5) below, the Company shall not unreasonably withhold any such consent.

- (4) With respect to any **Claim** that appears reasonably likely to be covered in whole or in part under this coverage section, the Company shall have the right and shall be given the opportunity to effectively associate with the **Insureds**, and shall be consulted in advance by the **Insureds**, regarding the investigation, defense and settlement of such **Claim**, including but not limited to selecting appropriate defense counsel and negotiating any settlement.
- (5) The **Insureds** agree to provide the Company with all information, assistance and cooperation which the Company may reasonably require and agree that in the event of a **Claim** the **Insureds** will do nothing that could prejudice the Company's position or its potential or actual rights of recovery.
- (6) Any advancement of **Defense Costs** shall be repaid to the Company by the **Insureds**, severally according to their respective interests, if and to the extent it is determined that such **Defense Costs** are not insured under this coverage section.

(H) If any **Claim** for any **Regulatory Wrongful Act** is filed under seal, the **Insureds** shall, as a condition precedent to exercising any right to coverage under this coverage section, immediately upon becoming aware of such **Claim** petition the applicable court, agency, or entity to allow such sealed information to be provided to the **Company**.

(I) Solely with respect to any **Claim** for any **Regulatory Wrongful Act** under this coverage section, Subsection X of the General Terms and Conditions is deemed deleted and replaced with the following:

If, in any **Claim** under this Coverage Section, the **Insureds** who are afforded coverage for such **Claim** incur an amount consisting of both **Loss** that is covered by this coverage section and loss that is not covered by this coverage section because such **Claim** includes both covered and uncovered matters or covered and uncovered parties, then all loss incurred by such **Insured** from such **Claim** will be allocated between covered **Loss** and uncovered loss based upon the relative legal exposures of the parties to such matters.

(J) Solely with respect to any **Claim** for any **Regulatory Wrongful Act** under this coverage section:

(1) Subparagraph (A)(1) of Subsection XI of the General Terms and Conditions of this policy is deemed amended by adding the following to the end thereof:

then the **Parent Corporation** shall provide to the **Company** written notice of the event containing full details thereof, as soon as practicable, and then the **Company**, in its sole discretion, may require additional terms, conditions and limitations of coverage and additional premium shall be paid.

(2) Subparagraph (A)(2) of Subsection XI of the General Terms and Conditions is deemed deleted.

(3) The Employment Practices Liability Coverage Section of this policy, if purchased, is amended as follows:

(a) Subsection III(A)(4) is deleted and replaced by the following:

(4) based upon, arising from, or in consequence of bodily injury, mental anguish, emotional distress, humiliation, sickness, disease or death of any person or damage to or destruction of any tangible property including loss of use thereof whether or not it is

damaged or destroyed; provided that this exclusion (A)(4) shall not apply to any emotional distress, mental anguish or humiliation;

- (b) No coverage will be available under this coverage section for any **Claim** against an **Insured** for any actual or alleged sexual abuse, sexual assault or sexual battery.

The title and any headings in this endorsement/rider are solely for convenience and form no part of the terms and conditions of coverage.

All other terms, conditions and limitations of this Policy shall remain unchanged.

<ENDSIG>

Authorized Representative

ENDORSEMENT/RIDER

<COVSECT>

Effective date of
this endorsement/rider: <TRXEFFDATE>

<CARRNAME>

Endorsement/Rider No. <EN>

To be attached to and
form a part of Policy No. <POLICYNO>

Issued to: <ACCTNAME>

**POWER SOURCESM FOR HEALTH CARE ORGANIZATIONS
(WITH REGULATORY EXCLUSION)**

In consideration of the premium charged, it is agreed that:

- (1) No coverage will be available under this policy under the Miscellaneous Professional Liability Coverage Section of this policy. Accordingly, Item 4 of the Declarations shall be deemed amended to affect the intent and purpose of this paragraph (1).
- (2) The Directors and Officers Liability Coverage Section of this policy, if purchased, is amended as follows:
 - (a) Subparagraph (1) of the term **Executive**, as defined in Subsection II(F), is amended by adding the following:

trustee,

trustee emeritus,

department head, and

executive director.
 - (b) The definition of **Loss** in Subsection II(L) is amended by adding the following:
 - (i) **Loss** includes any fines and penalties levied against any **Insured** for violation of the Emergency Medical Treatment and Active Labor Act, as amended ("EMTALA Fines and Penalties");
 - (ii) **Loss** includes any fines and penalties levied against any **Insured** for violation of Title II of the Health Insurance Portability and Accountability Act of 1996, amendments to such law or regulations promulgated under such law concerning privacy of health information ("HIPAA Fines and Penalties"); provided that the coverage afforded by this coverage section shall apply only if and to the extent that indemnification by the **Insured Organization** for such violation is not expressly prohibited in the by-laws, certificate of incorporation or other organizational documents of the **Insured Organization**;
 - (iii) **Loss** includes any fines and penalties levied against any **Non-profit Insured Organization** or the **Insured Persons** thereof for violation of any provision of the Internal Revenue Code of 1986, as amended ("IRC Fines and Penalties"); provided that the coverage afforded by this coverage section shall apply only if and to the extent the **Non-profit Insured Organization** or the **Insured Persons** thereof relied upon, with respect to

the matters giving rise to such violation: (1) a written "more likely than not" or "will" opinion of tax counsel licensed to practice law in the United States or Certified Public Accountant or Accounting Firm, or (2) a tax return prepared by a Certified Public Accountant or Accounting Firm duly appointed by the Board of Trustees of the **Non-profit Insured Organization**; and

- (iv) **Loss** includes any **Excess Benefit Transaction Excise Tax**; provided that the coverage afforded by this coverage section shall apply only if and to the extent that indemnification by the **Insured Organization** for such **Excess Benefit Transaction Excise Tax** is not expressly prohibited in the by-laws, certificate of incorporation or other organizational documents of the **Insured Organization**.

- (c) Subsection II is amended by adding the following definitions:

Claims Services means the following services, but only if performed by an **Insured**: the submission, handling, investigation, payment or adjustment of claims for benefits or coverage under health care or workers' compensation plans.

Excess Benefit Transaction Excise Tax means any excise tax imposed by the Internal Revenue Service on an **Insured Person** who is an **Insured Organization Manager** as a result of such **Insured Person's** participation in an **Excess Benefit Transaction**.

Excess Benefit Transaction means an "excess benefit transaction" as that term is defined in Section 4958 of the Internal Revenue Code of 1986, as amended.

Insurance Contract means any policy or agreement of insurance, reinsurance or indemnity, including, but not limited to, bonds, annuities, endowments, health care plans or health care products, dental plans or dental products, life insurance plans or life insurance products, disability plans or disability products, pension contracts and risk management self-insurance programs, pools or similar programs, and shall include any policy or program of stop loss or provider excess insurance, reinsurance or self-insurance.

Insured Organization Manager means an "organization manager" as that term is defined in Section 4958 of the Internal Revenue Code of 1986, as amended.

Managed Care Activity means any of the following services or activities: **Utilization Review**; **Claim Services**; reviewing the quality of **Medical Services** or providing quality assurance; wellness or health promotion education; development or implementation of clinical guidelines, practice parameters or protocols; triage for payment of **Medical Services**; and services or activities performed in the administration or management of health care or workers' compensation plans.

Medical Services means health care, medical care, or treatment provided to any individual, including medical, surgical, dental, psychiatric, mental health, chiropractic, osteopathic, nursing or other professional health care; the use, prescription, furnishing or dispensing of medications, drugs, blood, blood products or medical, surgical, dental or psychiatric supplies, equipment or appliances in connection with such care; the furnishing of food or beverages in connection with such care; counseling or other social services in connection with such care; and the handling of, or the performance of post-mortem examinations on, human bodies.

Non-profit Insured Organization means any non-profit corporation, community chest, fund or foundation that is included in the definition of **Insured Organization** and that is exempt from federal income tax as a organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or any other **Insured Organization** organized for a religious or charitable purpose under any non-profit organization act or statute.

Nuclear Materials means any nuclear or radioactive substance or hazardous properties resulting from any nuclear reaction, nuclear radiation or radioactive contamination.

Provider Selection Practice means the evaluation, selection, credentialing, privileging or performing peer review of, or contracting with, any independently practicing health care professional providing medical services, including but not limited to physicians, surgeons, dentists, residents, fellows and doctorate professionals.

Provider Selection Practice Claim means any **D&O Claim** or **Insured Organization Claim** brought or maintained by a provider of medical services based upon, arising from, or in consequence of any **Provider Selection Practice**.

Utilization Review means the process of evaluating the appropriateness, necessity or cost of **Medical Services** for purposes of determining whether payment or coverage for such **Medical Services** will be authorized or paid for under any health care plan, but only if performed by an **Insured**. In clarification and not in limitation of the foregoing, **Utilization Review** shall include prospective review of proposed payment or coverage for **Medical Services**, concurrent review of ongoing **Medical Services**, retrospective review of already rendered **Medical Services** or already incurred costs, disease management, and case management.

- (d) Subsection III(A)(4) is deleted and replaced by the following:
 - (4) based upon, arising from, or in consequence of bodily injury, mental anguish, emotional distress, humiliation, sickness, disease or death of any person or damage to or destruction of any tangible property including loss of use thereof whether or not it is damaged or destroyed; provided that this Exclusion (A)(4) shall not apply to mental anguish, humiliation or emotional distress asserted in an employment-related **D&O Claim**;
- (e) Subsection III(A)(9) is amended by adding the following at the end thereof:
 - (c) involving tax exempt bonds and tax exempt bond holders.
- (f) No coverage will be available under this coverage section for any **Claim** against an **Insured** for any actual or alleged violation of the responsibilities, obligations or duties imposed by the Federal False Claims Act or any similar federal, state, or local statutory law or common law anywhere in the world, any federal, state, or local anti-kickback, self-referral or healthcare fraud and abuse law anywhere in the world, or amendments to or regulations promulgated under any such law; provided that this exclusion shall not apply to any **Claim** for any actual or alleged violation of Title II of the Health Insurance Portability and Accountability Act of 1996.
- (g) No coverage will be available under this coverage section for any **Claim** against an **Insured** based upon, arising from or in consequence of:
 - (i) any actual, alleged, or threatened exposure to, or generation, storage, transportation, discharge, emission, release, dispersal, escape, treatment, removal or disposal of any **Nuclear Materials**; or
 - (ii) any regulation, order, direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize any **Nuclear Materials**, or any action taken in contemplation or anticipation of any such regulation, order, direction or request,including but not limited to any **Claim** for financial loss to the **Insured Organization**, the **Outside Entity**, or any members, securityholders or creditors of the **Insured Organization** or **Outside Entity** based upon, arising from, or in consequence of any matter described in clause (i) or clause (ii) of this Exclusion.
- (h) No coverage will be available under this coverage section for any **Claim** against an **Insured** based upon, arising from or in consequence of:

- (i) any actual or alleged refusal to offer, issue or renew, or any cancellation of, any **Insurance Contract**;
 - (ii) any actual or alleged lack of good faith or unfair dealing in the handling of any claim or obligation under any **Insurance Contract**, or the brokering or underwriting of insurance policies or risks;
 - (iii) any actual or alleged conduct of any **Insured** in the negotiation, placement or maintenance of any **Insurance Contract**;
 - (iv) any failure to collect or pay premiums, commissions, brokerage charges, fees or taxes;
 - (v) any failure to obtain, effect or maintain insurance or reinsurance;
 - (vi) any failure to obtain, effect or maintain stop loss or provider excess coverage, whether by way of insurance, reinsurance or self-insurance;
 - (vii) any actuarial determination including without limitation opinions as to reserve adequacy or pricing adequacy;
 - (viii) any commingling or mishandling of funds with respect to any **Managed Care Activities** or any **Insurance Contract**;
 - (ix) the rendering of professional services for others in the **Insured's** capacity as an investment counselor, manager or advisor, investment banker, securities broker or dealer, financial planner or analyst, insurance agent or broker, general partner, limited partner or partnership unit distributor, or any similar capacity;
 - (x) the offering or sale of shares of any unit investment trust or management investment company or of variable annuity plans;
 - (xi) any diminution of assets in connection with the activities described in subparagraph (x) above; or
 - (xii) any error, misstatement, misleading statement, act, omission, neglect, or breach of duty in the performance of, or failure to perform any **Managed Care Activity** or **Provider Selection Practice** by any **Insured** or by any individual or entity for whose acts, errors or omissions an **Insured** is legally responsible.
- (i) No coverage will be available under this coverage section for **Loss** on account of any **Provider Selection Practice Claim**.
 - (j) The following Subsection is added to this coverage section:

SUBLIMITS OF LIABILITY

- (A) The Company's maximum aggregate liability for HIPAA Fines and Penalties on account of all **Claims** first made during the **Policy Period** shall be twenty-five thousand dollars (\$25,000), which amount shall be part of, and not in addition to, the Company's Maximum Aggregate Limit of Liability for the Directors and Officers Liability Coverage Section set forth in Item 4 of the Declarations.
- (B) The Company's maximum aggregate liability for EMTALA Fines and Penalties on account of all **Claims** first made during the **Policy Period** shall be fifty thousand dollars (\$50,000), which amount shall be part of, and not in addition to, the Company's Maximum Aggregate Limit of Liability for the Directors and Officers Liability Coverage Section set forth in Item 4 of the Declarations.

- (C) The Company's maximum aggregate liability for IRC Fines and Penalties on account of all **Claims** first made during the **Policy Period** shall be fifty thousand dollars (\$50,000), which amount shall be part of, and not in addition to, the Company's Maximum Aggregate Limit of Liability for the Directors and Officers Liability Coverage Section set forth in Item 4 of the Declarations.
 - (D) The Company's maximum aggregate liability for **Excess Benefit Transaction Excise Taxes** on account of all **Claims** first made during the **Policy Period** shall be ten thousand dollars (\$10,000), which amount shall be part of, and not in addition to, the Company's Maximum Aggregate Limit of Liability for the Directors and Officers Liability Coverage Section set forth in Item 4 of the Declarations.
- (3) The Employment Practices Liability Coverage Section of this policy, if purchased, is amended as follows:
- (a) Subsection III(A)(4) is deleted and replaced by the following:
 - (4) based upon, arising from, or in consequence of bodily injury, mental anguish, emotional distress, humiliation, sickness, disease or death of any person or damage to or destruction of any tangible property including loss of use thereof whether or not it is damaged or destroyed; provided that this exclusion (A)(4) shall not apply to any emotional distress, mental anguish or humiliation;
 - (b) No coverage will be available under this coverage section for any **Claim** against an **Insured** for any actual or alleged sexual abuse, sexual assault or sexual battery.
 - (c) Solely with respect to any **Third Party Claim** under this coverage section, if Third Party Liability Coverage is purchased, and notwithstanding anything to the contrary in Subsection X of the General Terms and Conditions of this policy:
 - (i) If in any **Claim** the **Insureds** incur both **Loss** that is covered under this coverage section and loss that is not covered under this coverage section, either because such **Claim** includes both covered and non-covered matters or because such **Claim** is made against both **Insureds** and others (including the **Insured Organization**), the **Insureds** and the Company shall allocate such amount between covered **Loss** and non-covered loss based on the relative legal and financial exposures of the parties to covered and non-covered matters and, in the event of a settlement in such **Claim**, based also on the relative benefits to the parties from such settlement. The Company shall not be liable under this coverage section for the portion of such amount allocated to non-covered loss.
 - (ii) If the **Insureds** and the Company agree on an allocation of **Defense Costs**, the Company shall advance on a current basis **Defense Costs** allocated to the covered **Loss**. If the **Insureds** and the Company cannot agree on an allocation:
 - (aa) no presumption as to allocation shall exist in any arbitration, suit or other proceeding; and
 - (bb) the Company shall advance on a current basis **Defense Costs** which the Company believes to be covered under this coverage section until a different allocation is negotiated, arbitrated or judicially determined.
 - (iii) Any negotiated, arbitrated or judicially determined allocation of **Defense Costs** on account of a **Claim** shall be applied retroactively to all **Defense Costs** on account of such **Claim**, notwithstanding any prior advancement to the contrary. Any allocation or advancement of **Defense Costs** on account of a **Claim** shall not apply to or create any presumption with respect to the allocation of other **Loss** on account of such **Claim**.

The title and any headings in this endorsement/rider are solely for convenience and form no part of the terms and conditions of coverage.

All other terms, conditions and limitations of this Policy shall remain unchanged.

<ENDSIG>

Authorized Representative



BY COMPLETING THIS APPLICATION YOU ARE APPLYING FOR COVERAGE WITH
FEDERAL INSURANCE COMPANY (THE "COMPANY")

NOTICE: THE LIABILITY COVERAGE SECTIONS OF FOREFRONT PORTFOLIOSM FOR HEALTH CARE PROVIDE CLAIMS MADE COVERAGE, WHICH APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD," OR ANY APPLICABLE EXTENDED REPORTING PERIOD. THE LIMIT OF LIABILITY TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY "DEFENSE COSTS," AND "DEFENSE COSTS" WILL BE APPLIED AGAINST THE RETENTION AMOUNT. IN NO EVENT WILL THE COMPANY BE LIABLE FOR "DEFENSE COSTS" OR OTHER "LOSS" IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY. READ THE ENTIRE APPLICATION CAREFULLY BEFORE SIGNING.

APPLICATION INSTRUCTIONS:

Whenever used in this Application, the term "**Applicant**" shall mean the Parent Corporation and all subsidiaries, unless otherwise stated.

I. GENERAL INFORMATION:

1. Name of **Applicant**: _____
2. Address of **Applicant**: _____
City: _____ State: _____ Zip Code: _____ Telephone: _____
Website: _____
3. State incorporation: _____ Date established: _____
4. Authorized individual (Executive Officer) to receive notices and information regarding the proposed coverage sections:
Name: _____ Title: _____
E-Mail Address: _____ Phone: _____ Fax: _____
5. Individual responsible for Human Resources or employment law matters:
Name: _____ Title: _____
E-Mail Address: _____ Phone: _____ Fax: _____

II. SPECIFIC INFORMATION:

1. Please indicate below which coverages are being requested.

Note: The requested coverage is not automatically provided; the terms and conditions of the coverage section, if issued, will determine actual coverage.

Application	Coverage Included	Limit of Liability Requested
<input type="checkbox"/> ForeFront Portfolio Application	<input type="checkbox"/> Directors and Officers Liability	\$ _____
	<input type="checkbox"/> Employment Practices Liability	\$ _____
	<input type="checkbox"/> Fiduciary Liability	\$ _____
	<input type="checkbox"/> Crime	\$ _____
	<input type="checkbox"/> Kidnap/Ransom and Extortion	\$ _____
	<input type="checkbox"/> Workplace Violence Expense	\$ _____



2. Describe nature of **Applicant's** business: _____
3. **Applicant** is a: ☐ Not-For-Profit Tax Exempt Corp. ☐ For-Profit Corp. ☐ Partnership
☐ Not-For-Profit Taxable Corp. ☐ Limited Liability Company
☐ Other (describe): _____
4. Please complete the following information:
- (a) Revenues: Previous twelve (12) months: _____ Projected next twelve (12) months: _____
- (b) Employees: Previous twelve (12) months: _____ Projected next twelve (12) months: _____
- (c) Total Assets: _____
5. Does the **Applicant** have any subsidiaries, joint ventures or affiliates or control any other entity or organization? ☐ Yes ☐ No
- If Yes, please attach a description of the operations, ownership, and the tax status of each such entity, and indicate whether coverage is requested for each such entity.
6. **Applicant's** Accreditation (note all that apply): ☐ JCAHO ☐ NCQA ☐ Other: _____
7. Has the **Applicant** in the past eighteen (18) months completed or agreed to, or does it contemplate during the next twelve (12) months, any of the following, whether or not such transactions were or will be completed:
- (a) Reorganization or arrangement with creditors under federal or state law? ☐ Yes ☐ No
- (b) Branch, location, facility, office, or subsidiary closings, consolidations or layoffs? ☐ Yes ☐ No
- (c) Mergers or acquisitions? ☐ Yes ☐ No
- If Yes to any part of Question 7, please describe the essential terms of each such transaction as an attachment.

III. DIRECTORS AND OFFICERS LIABILITY INFORMATION:

1. Does the **Applicant** now have tax exempt status under applicable federal, state and local law, including the U.S. Internal Revenue Code of 1986, as amended? ☐ Yes ☐ No
- If Yes, is any challenge to the **Applicant's** tax-exempt status pending or anticipated by any party, private or governmental? ☐ Yes ☐ No
- If Yes, please explain: _____
2. Has the **Applicant** or any person proposed for coverage been the subject of, or been involved in, any of the following during the past five (5) years:
- | | <u>Organization</u> | <u>Persons</u> |
|--|--|--|
| (a) Anti-trust, copyright or patent litigation? | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (b) Civil, criminal or administrative proceeding alleging violation of any federal or state securities laws? | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |



(c) Any other criminal actions? ☐ Yes ☐ No ☐ Yes ☐ No

If Yes to any of the above in Question 2, please attach a full description of the details.

3. Other than those identified in your response to Question 2, has any civil proceeding been brought at any time during the last five (5) years against (a) any **Applicant** or (b) any proposed insured individual in his or her capacity as a director, officer, trustee or member of any duly constituted committee of any entity? ☐ Yes ☐ No

If Yes, please attach a full description of the details.

4. Please complete the following information (Attach separate sheet, if necessary):

Names of Director or Officer Shareholders	Voting Shares Owned
	%
Shareholders (include individual and corp. names) who are both non-directors and non-officers owning 5% or more of voting shares	Voting Shares Owned
	%

5. In the next twelve (12) months (or during the past two (2) years) is the **Applicant** contemplating (or has the **Applicant** completed or been in the process of completing) any public or private offering of securities or issuance of debt? ☐ Yes ☐ No

If Yes, please attach a full description of the details, including a copy of any prospectus.

6. Does the **Applicant** have any exclusive contracts with any providers? ☐ Yes ☐ No

If Yes, provide details by separate attachment.

7. Does the **Applicant** control more than twenty percent (20%) of the market share in any given geographical area of:

(a) providers in any given field of practice, or (b) health care services? ☐ Yes ☐ No

If Yes to Question 7(a) or (b), please provide market share percentages by separate attachment.

8. (a) Name of Compliance Officer and title: _____

(b) Does the Compliance Officer have direct access to the CEO or board? ☐ Yes ☐ No

9. Compliance Program in effect? ☐ Yes ☐ No

If Yes, date implemented? _____

If Yes, please submit copy of Compliance Program.

10. In the past 5 years, has any **Applicant** proposed for this insurance:

(a) been subjected to any type of audit investigating whether it allegedly:

- | | |
|---|--|
| (i) received overpayments for services provided? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (ii) received payments for services not provided? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (iii) violated any law? | <input type="checkbox"/> Yes <input type="checkbox"/> No |



- (b) entered into a criminal or civil settlement with the United States or with some party acting on behalf of the United States by which claims against such **Applicant** were resolved?

☐ Yes ☐ No

If Yes to Question 10(a) or (b), please explain: _____

IV. EMPLOYMENT PRACTICES LIABILITY AND THIRD PARTY LIABILITY INFORMATION:
Complete if coverage is requested.

- | | Current Year | Previous Year |
|--|---------------------|----------------------|
| 1. Number of Employees and Independent Contractors: | | |
| (a) Full-time employees: | _____ | _____ |
| (b) Part-time employees (include leased and seasonal): | _____ | _____ |
| (c) Volunteers: | _____ | _____ |
| (d) Employed Physicians: | _____ | _____ |
| (e) Independent Contractors: | _____ | _____ |
| (f) Employees located in California: | _____ | _____ |

2. Does the **Applicant** have written procedures in place regarding:

- | | |
|-----------------------------------|--|
| (a) Equal Opportunity Employment: | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (b) Anti-discrimination: | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (c) Anti-harassment: | <input type="checkbox"/> Yes <input type="checkbox"/> No |

If No to any of the above, please attach a full explanation.

3. During the past 3 years, has any **Applicant** or any person proposed for coverage been involved in any capacity in any of the following matters?

- | | |
|--|--|
| (a) EEOC, NLRB or other similar administrative proceeding? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (b) Employment-related civil suit? | <input type="checkbox"/> Yes <input type="checkbox"/> No |

If Yes to either of the above in Question 3, please attach a full description of the details.

V. FIDUCIARY LIABILITY COVERAGE INFORMATION:

1. Please list the names and types of **Applicant's** employee benefits plan(s). Attach additional pages if needed.

Plan names (Do not include health & welfare plans)	Plan assets (current year)	Plan assets (previous year)	Type of plan*	Under funded by more than 25%? (DB only)	Number of plan participants

* Defined Contribution (DC), Defined Benefit (DB), Employee Stock Ownership (ESOP), Excess Benefit or Top Hat EBP)



2. Does the **Applicant** handle any investment decisions in-house? ☐ Yes ☐ No

If Yes, please describe: _____

3. In the past two (2) years, has the **Applicant** merged or terminated any plan(s)? ☐ Yes ☐ No

If Yes, please attach details including transaction date, status of asset distribution, whether similar benefits are being offered, and name of insurance carrier if terminated plan benefits are secured by insurance.

4. Are any plans NOT in compliance with plan agreements or ERISA? ☐ Yes ☐ No

If Yes, please explain: _____

5. Past activities:

(a) Has any fiduciary been:

(i) accused, found guilty or held liable for a breach of trust? ☐ Yes ☐ No

(ii) convicted of criminal conduct? ☐ Yes ☐ No

(b) Have any claims (other than for benefits) been made during the past three (3) years against any benefit program or any current or past fiduciaries? ☐ Yes ☐ No

(c) Has there been any assessment of fees, fines or penalties under any voluntary compliance resolution program or similar voluntary settlement program administered by the IRS, DOL or other government authority against any plan? ☐ Yes ☐ No

If Yes to any of the above in Question 5, please attach a full description of the details.

VI. CRIME COVERAGE INFORMATION:

1. Does the **Applicant** allow the employees who reconcile the monthly bank statements to also sign checks or handle deposits? ☐ Yes ☐ No

If Yes, please explain: _____

2. What is the limit above which the **Applicant** requires countersignature for their checks? \$ _____

3. Please describe the services the **Applicant** provides for clients (including, but not limited to, accounting, payroll or purchasing functions): _____

4. Number of: domestic locations: _____; foreign locations: _____ and countries _____

5. Does the **Applicant** perform pre-employment reference checks for all its potential employees? ☐ Yes ☐ No

6. List all employee theft, forgery, computer fraud or other crime losses discovered by the **Applicant** in the last 5 years, itemizing each loss separately. Include date of loss, description and total amount of loss. (Attach additional pages if necessary.) _____



VII. KIDNAP/RANSOM & EXTORTION COVERAGE INFORMATION:

1. Please complete the following regarding **Applicant's** risk profile:

List countries in which you have operations	Type of operation	Number of locations	Number of employees	Revenues
U.S. and Canada				\$
				\$
				\$
TOTAL:				\$

2. Please complete the following information regarding the foreign travel of the **Applicant's** employees:

Travel destination by country	Number of annual trips	Average length of stay	Number of employees traveling

3. Does the Applicant have a nursery, pediatric floor and/or an on-site child care/day care center? ☐ Yes ☐ No

If Yes, provide a brief description by separate attachment of the security measures used to ensure their safety. _____

4. Has the **Applicant** had any incidents or threats with respect to infant abductions during the past five (5) years? ☐ Yes ☐ No

If Yes, please provide details by separate attachment.

5. List all kidnapping, extortion threat, cyber extortion, hijacking, wrongful detention or political threat events discovered by the **Applicant** in the last five (5) years, which would have been covered under the policy for which this **Application** is made, itemizing each loss separately. Include date of loss, threat or event; description of the loss, threat or event; and total amount of each loss. Attach additional pages if necessary.

VIII. WORKPLACE VIOLENCE COVERAGE INFORMATION:

1. Does the **Applicant**:

- (a) Have an Employee Assistance Program (EAP)? ☐ Yes ☐ No
- (b) Have a progressive discipline policy? ☐ Yes ☐ No
- (c) Have an employee complaint/grievance resolution procedure? ☐ Yes ☐ No
- (d) Have a customer complaint/grievance resolution procedure? ☐ Yes ☐ No



- (e) Have a written policy on workplace violence that is circulated to all employees? ☐ Yes ☐ No
- (f) Train supervisory and management employees to recognize, report and respond to potentially hostile employees or situations? ☐ Yes ☐ No
- (g) Have a process for performing background checks for potential employees? ☐ Yes ☐ No

If Yes, please explain: _____

2. What security precautions does the **Applicant** have in place to limit access to its premises from hostile or volatile persons? _____

WORKPLACE VIOLENCE LOSS EXPERIENCE:

3. List all workplace violence losses discovered by the **Applicant** in the last 5 years, itemizing each loss separately. Include date of loss, description and total amount of loss. (Attach additional pages if necessary.) Check if none: ☐
- _____

IX. CURRENT INSURANCE INFORMATION:

Coverage Sections	The Applicant currently purchases this coverage		Current Limit of Liability	Current Retention	Premium	Current Carrier
	Yes	No				
Directors & Officers And Corporate Liability			\$	\$	\$	
Employment Practices Liability and Third Party Liability			\$	\$	\$	
Fiduciary Liability			\$	\$	\$	
Crime			\$	\$	\$	
Kidnap Ransom & Extortion			\$	\$	\$	
Workplace Violence			\$	\$	\$	
Medical Professional Liability			\$	\$	\$	
Managed Care Errors & Omissions			\$	\$	\$	

X. CLAIMS AND REPRESENTATIONS/PRIOR KNOWLEDGE OF FACTS/CIRCUMSTANCES:



1. During the past five (5) years, neither the **Applicant** nor any individual or entity proposed for coverage has submitted any claims or given notice of any fact, circumstance, situation, transaction, event, act, error, or omission which they had reason to believe might or could reasonably be foreseen to give rise to a claim that might fall within the scope of insurance with any insurer or self-insurance instrument of which the requested coverages would be a direct or indirect replacement, except as follows:

If the answer is none, so state: _____

NOTE: WITHOUT PREJUDICE TO ANY OTHER RIGHTS OR REMEDIES OF THE COMPANY, IT IS AGREED THAT ANY CLAIM REQUIRED TO BE DISCLOSED IN RESPONSE TO QUESTION 1 IS EXCLUDED FROM THE PROPOSED INSURANCE, AND THAT ANY CLAIM ARISING FROM ANY FACT, CIRCUMSTANCE, SITUATION, TRANSACTION, EVENT, ACT, ERROR, OR OMISSION REQUIRED TO BE DISCLOSED IN RESPONSE TO QUESTION 1 IS EXCLUDED FROM THE PROPOSED INSURANCE.

2. Neither the **Applicant** nor any individual or entity proposed for coverage is aware of any fact, circumstance, situation, transaction, event, act, error or omission which they have reason to believe may or could reasonably be foreseen to give rise to a claim that may fall within the scope of the proposed insurance, except as follows:

If the answer is none, so state: _____

NOTE: WITHOUT PREJUDICE TO ANY OTHER RIGHTS OR REMEDIES OF THE COMPANY, IT IS AGREED THAT ANY CLAIM ARISING FROM ANY FACT, CIRCUMSTANCE, SITUATION, TRANSACTION, EVENT, ACT, ERROR OR OMISSION REQUIRED TO BE DISCLOSED IN RESPONSE TO QUESTION 2 IS EXCLUDED FROM THE PROPOSED INSURANCE.

XI. MATERIAL CHANGE:

If there is any material change in the answers to the questions in this Application before the policy inception date, the **Applicant** must immediately notify the Company in writing, and any outstanding quotation may be modified or withdrawn.

XII. DECLARATIONS, FRAUD WARNINGS AND SIGNATURES:

The **Applicant's** submission of this Application does not obligate the Insurer to issue, or the **Applicant** to purchase, a policy. The **Applicant** will be advised if the Application for coverage is accepted. The **Applicant** hereby authorizes the Insurer to make any inquiry in connection with this Application.

The undersigned authorized agents of the person(s) and entity(ies) proposed for this insurance declare to the best of their knowledge and belief, after reasonable inquiry, the statements made in this Application and any attachments or information submitted with this Application, are true and complete. The undersigned agree that this Application and its attachments shall be the basis of a contract should a policy providing the requested coverage be issued and shall be deemed to be attached to and shall form a part of any such policy. The Insurer will have relied upon this Application, its attachments, and such other information submitted therewith in issuing such policy.

The information provided in this Application is for underwriting purposes only and does not constitute notice to the Insurer under any policy of a Claim or potential Claim.

Notice to Arkansas, Louisiana, Maryland, Minnesota, New Mexico and Ohio Applicants: Any person who, with intent to defraud or knowing that he/she is facilitating a fraud against an insurer, submits an application or



files a claim containing a false, fraudulent or deceptive statement is, or may be found to be, guilty of insurance fraud, which is a crime, and may be subject to civil fines and criminal penalties.

Notice to Colorado Applicants: It is unlawful to knowingly provide false, incomplete or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policy holder or claimant for the purpose of defrauding or attempting to defraud the policy holder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory agencies.

Notice of District of Columbia, Maine, Tennessee and Virginia Applicants: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

Notice to Florida and Oklahoma Applicants: Any person who, knowingly and with intent to injure, defraud or deceive any employer or employee, insurance company, or self-insured program, files a statement of claim containing any false or misleading information is guilty of a felony (in Oklahoma) or a felony of the third degree (in Florida).

Notice to Kentucky Applicants: Any person who, knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any material fact thereto, commits a fraudulent insurance act which is a crime.

Notice to New Jersey Applicants: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

Notice to Oregon and Texas Applicants: Any person who makes an intentional misstatement that is material to the risk may be found guilty of insurance fraud by a court of law.

Notice to Pennsylvania and New York Applicants: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation (in New York) or criminal and civil penalties (in Pennsylvania).

Date

Signature*

Title

Chief Executive Officer

*This Application must be signed by the chief executive officer of the **Applicant** acting as the authorized representative of the person(s) and entity(ies) proposed for this insurance.

XIII. PLEASE ATTACH A COPY OF THE FOLLOWING REQUIRED INFORMATION FOR EVERY APPLICANT SEEKING COVERAGE:

- ☐ When requesting Directors & Officers Liability, Corporate Liability, Employment Practices Liability or Fiduciary Liability coverage, the most recent annual financial statements, audited if outside audits are performed.

Produced By: Agent: _____ Agency: _____

Agency Taxpayer ID or SS No.: _____ Agent License No.: _____



Chubb Group of Insurance Companies
15 Mountain View Road
Warren, New Jersey 07059

ForeFront PortfolioSM for Health Care
New Business Application

Address (Street, City, State, Zip): _____

Submitted By: Agency: _____

Agency Taxpayer ID or SS No.: _____ Agent License No.: _____

Address (Street, City, State, Zip): _____



BY COMPLETING THIS RENEWAL APPLICATION YOU ARE APPLYING FOR COVERAGE WITH
FEDERAL INSURANCE COMPANY (THE "COMPANY")

NOTICE: THE LIABILITY COVERAGE SECTIONS OF FOREFRONT PORTFOLIOSM FOR HEALTH CARE PROVIDE CLAIMS-MADE COVERAGE, WHICH APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD," OR ANY APPLICABLE EXTENDED REPORTING PERIOD. THE LIMIT OF LIABILITY TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY "DEFENSE COSTS," AND "DEFENSE COSTS" WILL BE APPLIED AGAINST THE RETENTION AMOUNT. IN NO EVENT WILL THE COMPANY BE LIABLE FOR "DEFENSE COSTS" OR OTHER "LOSS" IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY. READ THE ENTIRE RENEWAL APPLICATION CAREFULLY BEFORE SIGNING.

RENEWAL APPLICATION INSTRUCTIONS

Whenever used in this Renewal Application, the term "**Applicant**" shall mean the Parent Corporation and all subsidiaries, unless otherwise stated.

I. GENERAL INFORMATION:

1. Name of **Applicant**: _____
2. Address of **Applicant**: _____
City: _____ State: _____ Zip Code: _____ Telephone: _____
Website: _____

II. SPECIFIC INFORMATION:

1. Please indicate below which ForeFront PortfolioSM for Health Care coverages for which the **Applicant** seeks renewal:

<input type="checkbox"/> Directors & Officers Liability	<input type="checkbox"/> Fiduciary Liability	<input type="checkbox"/> Workplace Violence
<input type="checkbox"/> Employment Practices Liability	<input type="checkbox"/> Kidnap/Ransom & Extortion	<input type="checkbox"/> Crime
2. **Applicant's** total revenue as of the most recent fiscal year end: \$ _____
3. **Applicant's** total assets as of the most recent fiscal year end: \$ _____
4. Cash flow from operations as of the most recent fiscal year end: \$ _____
5. Has the **Applicant** in the past twelve (12) months completed or agreed to, or does it contemplate during the next twelve (12) months, any of the following, whether or not such transactions were or will be completed:
 - a) Reorganization or arrangement with creditors under federal or state law? ☐ Yes ☐ No
 - b) Branch, location, facility, office, or subsidiary closings, consolidations or layoffs? ☐ Yes ☐ No
 - c) Mergers and/or acquisitions? ☐ Yes ☐ No
 - d) Entering into new governmental contracts? ☐ Yes ☐ No
 - e) Conversion from non-profit to for-profit status? ☐ Yes ☐ No
 - f) Undertaking new areas of business? ☐ Yes ☐ No



If Yes to any part of Question 5, please describe the essential terms of each such transaction as an attachment.

III. DIRECTORS AND OFFICERS LIABILITY INFORMATION:

1. In the next twelve (12) months (or during the past twelve (12) months) is the **Applicant** contemplating (or has the **Applicant** completed or been in the process of completing) any public or private offering of securities or issuance of debt? ☐ Yes ☐ No

If Yes, please attach a full description of the details, including a copy of any prospectus.

2. a) Over the past twelve (12) months, has there been any change in the board of directors? ☐ Yes ☐ No

b) Current number of: members on board of directors; trustees; member managers; or equivalent _____

c) Current total outstanding shares, units, or interest _____

If Yes to Question 2(a) above, please explain: _____

3. Please list all non-director and non-officer shareholders who directly or beneficially hold common stock and the percentage owned by each (if none, so indicate).

Non director or non officer shareholders:

Number of voting shares owned:

4. Does the **Applicant** now have tax exempt status under applicable federal, state and local law, including the U.S. Internal Revenue Code of 1986, as amended? ☐ Yes ☐ No

If Yes, is any challenge to the **Applicant's** tax-exempt status pending or anticipated by any party, private or governmental? ☐ Yes ☐ No

If Yes, please explain: _____

5. Has there been any change in the **Applicant's** ownership structure within the last 12 months? ☐ Yes ☐ No

If Yes, attach a full description of ownership structure.

6. Over the past twelve (12) months has **Applicant** entered into any exclusive contracts with any providers? ☐ Yes ☐ No

If Yes, provide details by separate attachment.

7. Over the past twelve (12) months has **Applicant** controlled more than twenty percent (20%) of the market share in any given geographical area of:

(a) providers in any given field of practice; or (b) health care services? ☐ Yes ☐ No

If Yes to Question 7(a) or (b), please provide market share percentages by separate attachment.



8. (a) Name of Compliance Officer and title: _____
- (b) Does the Compliance Officer have direct access to the CEO or board? ☐ Yes ☐ No
9. Compliance Program in effect? ☐ Yes ☐ No
- If Yes, date implemented? _____
- If Yes, please submit copy of Compliance Program.

IV. EMPLOYMENT PRACTICES INFORMATION:

1. Employee & Independent Contractor count: **Current Year**
- (a) Full-time employees: _____
- (b) Part-time employees (include leased and seasonal): _____
- (c) Volunteers: _____
- (d) Employed Physicians: _____
- (e) Independent Contractors: _____
- (f) Employees located in California: _____
2. Within the last year has the **Applicant** updated its employment practices handbook, or human resources policies and procedures or department? ☐ Yes ☐ No
- If the **Applicant** answered Yes, please attach a copy of updated materials and a description of changes.
3. Number of employees who have left the **Applicant** over the past 12 months:
- Voluntary _____ Involuntary _____

V. FIDUCIARY LIABILITY COVERAGE INFORMATION:

1. Please list the names and types of **Applicant's** employee benefits plan(s)

Plan names (Do not include health & welfare plans)	Plan assets (current year)	Plan assets (previous year)	Type of plan*	Under funded by more than 25%? (DB only)	Number of plan participants

* Defined Contribution (DC), Defined Benefit (DB), Employee Stock Ownership (ESOP), Excess Benefit or Top Hat (EBP)



2. In the next 12 months is the **Applicant** contemplating (or has the **Applicant** completed within the last year) merging or terminating any plan(s)? ☐ Yes ☐ No

If Yes, please explain: _____

VI. CRIME COVERAGE INFORMATION:

1. Does the **Applicant** allow the employees who reconcile the monthly bank statements to also sign checks or handle deposits ☐ Yes ☐ No

If Yes, please explain: _____

2. Does the **Applicant** have procedures in place to verify the existence and ownership of all new vendors prior adding them to the authorized master vendor list? ☐ Yes ☐ No

3. Does the **Applicant** verify invoices against a corresponding purchase order, receiving report and the authorized master vendor list prior to issuing payment? ☐ Yes ☐ No

4. How often does the **Applicant** perform a physical inventory check of stock and equipment? _____

5. What is the limit above which the **Applicant** requires countersignature for their checks? \$ _____

VII. KIDNAP/RANSOM & EXTORTION COVERAGE INFORMATION:

1. Please complete the following information regarding the foreign travel of the **Applicant's** employees:

Travel destination by country	Number of annual trips	Average length of stay	Number of employees traveling

2. Describe the **Applicant's** security precautions taken for foreign travel: _____

3. Does the **Applicant** have a nursery, pediatric floor and/or an on-site child care/day care center? ☐ Yes ☐ No

If Yes, provide a brief description by separate attachment of the security measures used to ensure their safety.

VIII. WORKPLACE VIOLENCE COVERAGE INFORMATION:

1. Does the **Applicant**:
- (a) Have an Employee Assistance Program (EAP)? ☐ Yes ☐ No
 - (b) Have a progressive discipline policy? ☐ Yes ☐ No
 - (c) Have an employee complaint/grievance resolution procedure? ☐ Yes ☐ No
 - (d) Have a customer complaint/grievance resolution procedure? ☐ Yes ☐ No



- (e) Have a written policy on workplace violence that is circulated to all employees? ☐ Yes ☐ No
- (f) Train supervisory and management employees to recognize, report and respond to potentially hostile employees or situations? ☐ Yes ☐ No
- (g) Have a process for performing background checks for potential employees? ☐ Yes ☐ No

If Yes, please explain: _____

2. What security precautions does the **Applicant** have in place to limit access to its premises from hostile or volatile persons? _____

IX. MATERIAL CHANGE:

If any information provided in this Renewal Application changes materially before the policy inception date, the **Applicant** must immediately notify the Company in writing, and any outstanding quotation may be modified or withdrawn.

X. DECLARATIONS, FRAUD WARNINGS AND SIGNATURE:

The **Applicant's** submission of this Renewal Application does not obligate the Company to issue, or the **Applicant** to purchase, a policy. The **Applicant** will be advised if the Renewal Application for coverage is accepted. The **Applicant** hereby authorizes the Company to make any inquiry in connection with this Renewal Application.

The undersigned authorized agent of the person(s) and entity(ies) proposed for this insurance declares that to the best of his or her knowledge and belief, after reasonable inquiry, that the statements made in this Renewal Application and in any attachments or other documents submitted with this Renewal Application are true and complete. The undersigned agrees that this Renewal Application, such attachments and other documents, and all other signed applications submitted by the **Applicant** to the Company for the proposed insurance or any other insurance contract of which the proposed insurance is a direct or indirect renewal or replacement shall be the basis of the insurance policy should a policy providing the requested coverage be issued; that all such materials shall be deemed to be attached to and shall form a part of any such policy; and that the Company will have relied on all such materials in issuing any such policy.

The information requested in this Renewal Application is for underwriting purposes only and does not constitute notice to the Company under any policy of a Claim or potential Claim.

Notice to Arkansas, Louisiana, Maryland, Minnesota, New Mexico and Ohio Applicants: Any person who, with intent to defraud or knowing that he/she is facilitating a fraud against an insurer, submits an application or files a claim containing a false, fraudulent or deceptive statement is, or may be found to be, guilty of insurance fraud, which is a crime, and may be subject to civil fines and criminal penalties.

Notice to Colorado Applicants: It is unlawful to knowingly provide false, incomplete or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policy holder or claimant for the purpose of defrauding or attempting to defraud the policy holder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory agencies.



Notice to District of Columbia, Maine, Tennessee and Virginia Applicants: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

Notice to Florida and Oklahoma Applicants: Any person who, knowingly and with intent to injure, defraud or deceive any employer or employee, insurance company, or self-insured program, files a statement of claim containing any false or misleading information is guilty of: a felony (in Oklahoma) or a felony of the third degree (in Florida).

Notice to Kentucky Applicants: Any person who, knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any material fact thereto, commits a fraudulent insurance act which is a crime.

Notice to New Jersey Applicants: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

Notice to Oregon and Texas Applicants: Any person who makes an intentional misstatement that is material to the risk may be found guilty of insurance fraud by a court of law.

Notice to New York and Pennsylvania Applicants: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and shall also be subject to: a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation (in New York) or criminal and civil penalties (in Pennsylvania).

Date

Signature*

Title

Chief Executive Officer

*This Renewal Application must be signed by the chief executive officer of the **Applicant** acting as the authorized representative of the person(s) and entity(ies) proposed for this insurance.

XI. PLEASE ATTACH A COPY OF THE FOLLOWING REQUIRED INFORMATION FOR EVERY APPLICANT SEEKING COVERAGE:

- ☐ Most recent annual financial statements, audited if outside audits are performed;
- ☐ Most recent audited pension financial statements for each defined benefit plan (applicable to Fiduciary Liability coverage only);
- ☐ Most recent CPA Letter to Management and management's response (if this Letter is not issued, so indicate);
- ☐ Most recent EEO-1 Report (applicable to Employment Practices Liability coverage only).

Produced By: Agent: _____ Agency: _____

Agency Taxpayer ID or SS No.: _____ Agent License No.: _____

Address (Street, City, State, Zip): _____

Submitted By: Agency: _____

Agency Taxpayer ID or SS No.: _____ Agent License No.: _____

Address (Street, City, State, Zip): _____

ENDORSEMENT/RIDER

<COVSECT>

Effective date of
this endorsement/rider: <TRXEFFDATE>

<CARRNAME>

Endorsement/Rider No. <EN>

To be attached to and
form a part of Policy No. <POLICYNO>

Issued to: <ACCTNAME>

FOREFRONT PORTFOLIOSM FOR HEALTH CARE ORGANIZATIONS

In consideration of the premium charged, it is agreed that:

- (1) No coverage will be available under this policy under the Miscellaneous Professional Liability Coverage Section of this policy. Accordingly, Item 4 of the Declarations of the General Terms and Conditions shall be deemed amended to affect the intent and purpose of this paragraph (1).
- (2) The Directors and Officers Liability Coverage Section of this policy, if purchased, is amended as follows:
 - (a) Subparagraph (1) of the term **Executive**, as defined in Subsection II(F), is amended by adding the following:

trustee,

trustee emeritus,

department head, and

executive director.
 - (b) The definition of **Loss** in Subsection II(L) is amended by adding the following:
 - (i) **Loss** includes any fines and penalties levied against any **Insured** for violation of the Emergency Medical Treatment and Active Labor Act, as amended ("EMTALA Fines and Penalties");
 - (ii) **Loss** includes any fines and penalties levied against any **Insured** for violation of Title II of the Health Insurance Portability and Accountability Act of 1996, amendments to such law or regulations promulgated under such law concerning privacy of health information ("HIPAA Fines and Penalties"); provided that the coverage afforded by this coverage section shall apply only if and to the extent that indemnification by the **Insured Organization** for such violation is not expressly prohibited in the by-laws, certificate of incorporation or other organizational documents of the **Insured Organization**;
 - (iii) **Loss** includes any fines and penalties levied against any **Non-profit Insured Organization** or the **Insured Persons** thereof for violation of any provision of the Internal Revenue Code of 1986, as amended ("IRC Fines and Penalties"); provided that the coverage afforded by this coverage section shall apply only if and to the extent the **Non-profit Insured Organization** or the **Insured Persons** thereof relied upon, with respect to the matters giving rise to such violation: (1) a written "more likely than not" or "will"

opinion of tax counsel licensed to practice law in the United States or Certified Public Accountant or Accounting Firm, or (2) a tax return prepared by a Certified Public Accountant or Accounting Firm duly appointed by the Board of Trustees of the **Non-profit Insured Organization**; and

- (iv) **Loss** includes any **Excess Benefit Transaction Excise Tax**; provided that the coverage afforded by this coverage section shall apply only if and to the extent that indemnification by the **Insured Organization** for such **Excess Benefit Transaction Excise Tax** is not expressly prohibited in the by-laws, certificate of incorporation or other organizational documents of the **Insured Organization**.
- (c) The definition of Wrongful Act in Subsection II(U) is amended to include, a **Regulatory Wrongful Act**.
- (d) Subsection II is amended by adding the following definitions:

Claims Services means the following services, but only if performed by an **Insured**: the submission, handling, investigation, payment or adjustment of claims for benefits or coverage under health care or workers' compensation plans.

Excess Benefit Transaction Excise Tax means any excise tax imposed by the Internal Revenue Service on an **Insured Person** who is an **Insured Organization Manager** as a result of such **Insured Person's** participation in an **Excess Benefit Transaction**.

Excess Benefit Transaction means an "excess benefit transaction" as that term is defined in Section 4958 of the Internal Revenue Code of 1986, as amended.

Insurance Contract means any policy or agreement of insurance, reinsurance or indemnity, including, but not limited to, bonds, annuities, endowments, health care plans or health care products, dental plans or dental products, life insurance plans or life insurance products, disability plans or disability products, pension contracts and risk management self-insurance programs, pools or similar programs, and shall include any policy or program of stop loss or provider excess insurance, reinsurance or self-insurance.

Insured Organization Manager means an "organization manager" as that term is defined in Section 4958 of the Internal Revenue Code of 1986, as amended.

Managed Care Activity means any of the following services or activities: **Utilization Review**; **Claim Services**; reviewing the quality of **Medical Services** or providing quality assurance; wellness or health promotion education; development or implementation of clinical guidelines, practice parameters or protocols; triage for payment of **Medical Services**; and services or activities performed in the administration or management of health care or workers' compensation plans.

Medical Services means health care, medical care, or treatment provided to any individual, including medical, surgical, dental, psychiatric, mental health, chiropractic, osteopathic, nursing or other professional health care; the use, prescription, furnishing or dispensing of medications, drugs, blood, blood products or medical, surgical, dental or psychiatric supplies, equipment or appliances in connection with such care; the furnishing of food or beverages in connection with such care; counseling or other social services in connection with such care; and the handling of, or the performance of post-mortem examinations on, human bodies.

Non-profit Insured Organization means any non-profit corporation, community chest, fund or foundation that is included in the definition of **Insured Organization** and that is exempt from federal income tax as a organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or any other **Insured Organization** organized for a religious or charitable purpose under any non-profit organization act or statute.

Nuclear Materials means any nuclear or radioactive substance or hazardous properties resulting from any nuclear reaction, nuclear radiation or radioactive contamination.

Provider Selection Practice means the evaluation, selection, credentialing, privileging or performing peer review of, or contracting with, any independently practicing health care professional providing medical services, including but not limited to physicians, surgeons, dentists, residents, fellows and doctorate professionals.

Regulatory Wrongful Act means any actual or alleged violation by an Insured of the responsibilities, obligations or duties imposed by the Federal False Claims Act or any similar federal, state, or local statutory law or common law anywhere in the world, any federal, state, or local anti-kickback, self-referral or healthcare fraud and abuse law anywhere in the world, or amendments to or regulations promulgated under any such law.

Utilization Review means the process of evaluating the appropriateness, necessity or cost of **Medical Services** for purposes of determining whether payment or coverage for such **Medical Services** will be authorized or paid for under any health care plan, but only if performed by an **Insured**. In clarification and not in limitation of the foregoing, **Utilization Review** shall include prospective review of proposed payment or coverage for **Medical Services**, concurrent review of ongoing **Medical Services**, retrospective review of already rendered **Medical Services** or already incurred costs, disease management, and case management.

(e) Subsection III(A)(4) is deleted and replaced by the following:

(4) based upon, arising from, or in consequence of bodily injury, mental anguish, emotional distress, humiliation, sickness, disease or death of any person or damage to or destruction of any tangible property including loss of use thereof whether or not it is damaged or destroyed; provided that this Exclusion (A)(4) shall not apply to mental anguish, humiliation or emotional distress asserted in an employment-related **D&O Claim**;

(f) Subsection III(A)(9) is amended by adding the following to the end thereof:

(c) involving tax exempt bonds and tax exempt bond holders;

(g) No coverage will be available under this coverage section for any **Claim** against an **Insured** based upon, arising from or in consequence of:

(i) any actual, alleged, or threatened exposure to, or generation, storage, transportation, discharge, emission, release, dispersal, escape, treatment, removal or disposal of any **Nuclear Materials**; or

(ii) any regulation, order, direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize any **Nuclear Materials**, or any action taken in contemplation or anticipation of any such regulation, order, direction or request,

including but not limited to any **Claim** for financial loss to the **Insured Organization**, the **Outside Entity**, or any members, securityholders or creditors of the **Insured Organization** or **Outside Entity** based upon, arising from, or in consequence of any matter described in clause (i) or clause (ii) of this Exclusion.

(h) No coverage will be available under this coverage section for any **Claim** against an **Insured** based upon, arising from or in consequence of:

(i) any actual or alleged refusal to offer, issue or renew, or any cancellation of, any **Insurance Contract**;

- (ii) any actual or alleged lack of good faith or unfair dealing in the handling of any claim or obligation under any **Insurance Contract**, or the brokering or underwriting of insurance policies or risks;
 - (iii) any actual or alleged conduct of any **Insured** in the negotiation, placement or maintenance of any **Insurance Contract**;
 - (iv) any failure to collect or pay premiums, commissions, brokerage charges, fees or taxes;
 - (v) any failure to obtain, effect or maintain insurance or reinsurance;
 - (vi) any failure to obtain, effect or maintain stop loss or provider excess coverage, whether by way of insurance, reinsurance or self-insurance;
 - (vii) any actuarial determination including without limitation opinions as to reserve adequacy or pricing adequacy;
 - (viii) any commingling or mishandling of funds with respect to any **Managed Care Activities** or any **Insurance Contract**;
 - (ix) the rendering of professional services for others in the **Insured's** capacity as an investment counselor, manager or advisor, investment banker, securities broker or dealer, financial planner or analyst, insurance agent or broker, general partner, limited partner or partnership unit distributor, or any similar capacity;
 - (x) the offering or sale of shares of any unit investment trust or management investment company or of variable annuity plans;
 - (xi) any diminution of assets in connection with the activities described in subparagraph (x) above; or
 - (xii) any error, misstatement, misleading statement, act, omission, neglect, or breach of duty in the performance of, or failure to perform any **Managed Care Activity** or **Provider Selection Practice** by any **Insured** or by any individual or entity for whose acts, errors or omissions an **Insured** is legally responsible.
- (i) The following Subsection is added to this coverage section:

SUBLIMITS OF LIABILITY

- (A) The Company's maximum aggregate liability for HIPAA Fines and Penalties on account of all **Claims** first made during the **Policy Period** shall be twenty-five thousand dollars (\$25,000), which amount shall be part of, and not in addition to, the Company's maximum aggregate Limit of Liability set forth in Item 2 of the Declarations for this coverage section.
- (B) The Company's maximum aggregate liability for EMTALA Fines and Penalties on account of all **Claims** first made during the **Policy Period** shall be fifty thousand dollars (\$50,000), which amount shall be part of, and not in addition to, the Company's maximum aggregate Limit of Liability set forth in Item 2 of the Declarations for this coverage section.
- (C) The Company's maximum aggregate liability for IRC Fines and Penalties on account of all **Claims** first made during the **Policy Period** shall be fifty thousand dollars (\$50,000), which amount shall be part of, and not in addition to, the Company's maximum aggregate Limit of Liability set forth in Item 2 of the Declarations for this coverage section.

- (D) The Company's maximum aggregate liability for **Excess Benefit Transaction Excise Taxes** on account of all **Claims** first made during the **Policy Period** shall be ten thousand dollars (\$10,000), which amount shall be part of, and not in addition to, the Company's maximum aggregate Limit of Liability set forth in Item 2 of the Declarations for this coverage section.

(j) The following Subsection is added to this coverage section:

CLAIMS FOR REGULATORY WRONGFUL ACTS

- (A) No coverage will be available under this coverage section for **Loss** other than **Defense Costs** on account of any **Claim** for any **Regulatory Wrongful Act**.
- (B) The Company's maximum aggregate liability for all **Defense Costs** on account of all **Claims for Regulatory Wrongful Acts** first made during the **Policy Period** shall be one million dollars (\$1,000,000), which amount shall be part of, and not in addition to, the **Company's** maximum aggregate Limit of Liability set forth in Item 2 of the Declarations for this coverage section.
- (C) To the extent that covered **Defense Costs** resulting from any **Claim** for any **Regulatory Wrongful Act** is in excess of the applicable **Deductible Amount**, the **Insureds** shall bear uninsured and at their own risk fifty percent (50%) and the **Company's** liability shall apply only to the remaining percentage of such **Defense Costs**.
- (D) Solely with respect to **Claims for Regulatory Wrongful Acts**, Item 4 Deductible Amounts of the Declarations is deleted and replaced by the following:

Claims for Regulatory Wrongful Acts: \$1,000,000
- (E) Solely with respect to **Claims for Regulatory Wrongful Acts**, Item 5 Pending or Prior Litigation Dates of the Declarations is deleted and replaced by the following:

<1STDATEOFCVG>
- (F) Notwithstanding anything to the contrary in Subsection III(A)(1) of this coverage section, no coverage will be available under this coverage section for an **Claim** for any **Regulatory Wrongful Act** against an **Insured** based upon, arising from, or in consequence of any fact, circumstance, situation, transaction, event or **Regulatory Wrongful Act** that, before <1STDATEOFCVG>, was the subject of any notice given under any policy or coverage section of which this coverage section is a direct or indirect renewal or replacement.
- (G) Notwithstanding anything to the contrary in Subsection IX of the General Terms and Conditions of this policy, solely with respect to any **Claim** for any **Regulatory Wrongful Act** under this coverage section:
- (1) It shall be the duty of the **Insureds** and not the duty of the Company to defend **Claims** made against the **Insureds**.
 - (2) The Company may make any investigation it deems necessary.
 - (3) The **Insureds** agree not to settle or offer to settle any **Claim**, incur any **Defense Costs** or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without the Company's prior written consent. The Company shall not be liable for any settlement made, for any element of **Loss** incurred, for any obligation assumed, or for any admission made by any Insured without the Company's prior written consent. Provided the **Insureds** comply with

Subparagraphs (4) and (5) below, the Company shall not unreasonably withhold any such consent.

- (4) With respect to any **Claim** that appears reasonably likely to be covered in whole or in part under this coverage section, the Company shall have the right and shall be given the opportunity to effectively associate with the **Insureds**, and shall be consulted in advance by the **Insureds**, regarding the investigation, defense and settlement of such **Claim**, including but not limited to selecting appropriate defense counsel and negotiating any settlement.
- (5) The **Insureds** agree to provide the Company with all information, assistance and cooperation which the Company may reasonably require and agree that in the event of a **Claim** the **Insureds** will do nothing that could prejudice the Company's position or its potential or actual rights of recovery.
- (6) Any advancement of **Defense Costs** shall be repaid to the Company by the **Insureds**, severally according to their respective interests, if and to the extent it is determined that such **Defense Costs** are not insured under this coverage section.

(H) If any **Claim** for any **Regulatory Wrongful Act** is filed under seal, the **Insureds** shall, as a condition precedent to exercising any right to coverage under this coverage section, immediately upon becoming aware of such **Claim** petition the applicable court, agency, or entity to allow such sealed information to be provided to the **Company**.

(I) Solely with respect to any **Claim** for any **Regulatory Wrongful Act** under this coverage section, Subsection X of the General Terms and Conditions is deemed deleted and replaced with the following:

If, in any **Claim** under this Coverage Section, the **Insureds** who are afforded coverage for such **Claim** incur an amount consisting of both **Loss** that is covered by this coverage section and loss that is not covered by this coverage section because such **Claim** includes both covered and uncovered matters or covered and uncovered parties, then all loss incurred by such **Insured** from such **Claim** will be allocated between covered **Loss** and uncovered loss based upon the relative legal exposures of the parties to such matters.

(J) Solely with respect to any **Claim** for any **Regulatory Wrongful Act** under this coverage section:

(1) Subparagraph (A)(1) of Subsection XI of the General Terms and Conditions of this policy is deemed amended by adding the following to the end thereof:

then the **Parent Corporation** shall provide to the **Company** written notice of the event containing full details thereof, as soon as practicable, and then the **Company**, in its sole discretion, may require additional terms, conditions and limitations of coverage and additional premium shall be paid.

(2) Subparagraph (A)(2) of Subsection XI of the General Terms and Conditions is deemed deleted.

(3) The Employment Practices Liability Coverage Section of this policy, if purchased, is amended as follows:

(a) Subsection III(A)(4) is deleted and replaced by the following:

(4) based upon, arising from, or in consequence of bodily injury, mental anguish, emotional distress, humiliation, sickness, disease or death of any person or damage to or destruction of any tangible property including loss of use thereof whether or not it is

damaged or destroyed; provided that this exclusion (A)(4) shall not apply to any emotional distress, mental anguish or humiliation;

- (b) No coverage will be available under this coverage section for any **Claim** against an **Insured** for any actual or alleged sexual abuse, sexual assault or sexual battery.

The title and any headings in this endorsement/rider are solely for convenience and form no part of the terms and conditions of coverage.

All other terms, conditions and limitations of this Policy shall remain unchanged.

<ENDSIG>

Authorized Representative

ENDORSEMENT/RIDER

<COVSECT>

Effective date of
this endorsement/rider: <TRXEFFDATE>

<CARRNAME>

Endorsement/Rider No. <EN>

To be attached to and
form a part of Policy No. <POLICYNO>

Issued to: <ACCTNAME>

FOREFRONT PORTFOLIOSM FOR HEALTH CARE ORGANIZATIONS (WITH REGULATORY EXCLUSION)

In consideration of the premium charged, it is agreed that:

- (1) No coverage will be available under this policy under the Miscellaneous Professional Liability Coverage Section of this policy. Accordingly, Item 4 of the Declarations of the General Terms and Conditions shall be deemed amended to affect the intent and purpose of this paragraph (1).
- (2) The Directors and Officers Liability Coverage Section of this policy, if purchased, is amended as follows:
 - (a) Subparagraph (1) of the term **Executive**, as defined in Subsection II(F), is amended by adding the following:

trustee,

trustee emeritus,

department head, and

executive director.
 - (b) The definition of **Loss** in Subsection II(L) is amended by adding the following:
 - (i) **Loss** includes any fines and penalties levied against any **Insured** for violation of the Emergency Medical Treatment and Active Labor Act, as amended ("EMTALA Fines and Penalties");
 - (ii) **Loss** includes any fines and penalties levied against any **Insured** for violation of Title II of the Health Insurance Portability and Accountability Act of 1996, amendments to such law or regulations promulgated under such law concerning privacy of health information ("HIPAA Fines and Penalties"); provided that the coverage afforded by this coverage section shall apply only if and to the extent that indemnification by the **Insured Organization** for such violation is not expressly prohibited in the by-laws, certificate of incorporation or other organizational documents of the **Insured Organization**;
 - (iii) **Loss** includes any fines and penalties levied against any **Non-profit Insured Organization** or the **Insured Persons** thereof for violation of any provision of the Internal Revenue Code of 1986, as amended ("IRC Fines and Penalties"); provided that the coverage afforded by this coverage section shall apply only if and to the extent the **Non-profit Insured Organization** or the **Insured Persons** thereof relied upon, with respect to

the matters giving rise to such violation: (1) a written "more likely than not" or "will" opinion of tax counsel licensed to practice law in the United States or Certified Public Accountant or Accounting Firm, or (2) a tax return prepared by a Certified Public Accountant or Accounting Firm duly appointed by the Board of Trustees of the **Non-profit Insured Organization**; and

- (iv) **Loss** includes any **Excess Benefit Transaction Excise Tax**; provided that the coverage afforded by this coverage section shall apply only if and to the extent that indemnification by the **Insured Organization** for such **Excess Benefit Transaction Excise Tax** is not expressly prohibited in the by-laws, certificate of incorporation or other organizational documents of the **Insured Organization**.

- (c) Subsection II is amended by adding the following definitions:

Claims Services means the following services, but only if performed by an **Insured**: the submission, handling, investigation, payment or adjustment of claims for benefits or coverage under health care or workers' compensation plans.

Excess Benefit Transaction Excise Tax means any excise tax imposed by the Internal Revenue Service on an **Insured Person** who is an **Insured Organization Manager** as a result of such **Insured Person's** participation in an **Excess Benefit Transaction**.

Excess Benefit Transaction means an "excess benefit transaction" as that term is defined in Section 4958 of the Internal Revenue Code of 1986, as amended.

Insurance Contract means any policy or agreement of insurance, reinsurance or indemnity, including, but not limited to, bonds, annuities, endowments, health care plans or health care products, dental plans or dental products, life insurance plans or life insurance products, disability plans or disability products, pension contracts and risk management self-insurance programs, pools or similar programs, and shall include any policy or program of stop loss or provider excess insurance, reinsurance or self-insurance.

Insured Organization Manager means an "organization manager" as that term is defined in Section 4958 of the Internal Revenue Code of 1986, as amended.

Managed Care Activity means any of the following services or activities: **Utilization Review**; **Claim Services**; reviewing the quality of **Medical Services** or providing quality assurance; wellness or health promotion education; development or implementation of clinical guidelines, practice parameters or protocols; triage for payment of **Medical Services**; and services or activities performed in the administration or management of health care or workers' compensation plans.

Medical Services means health care, medical care, or treatment provided to any individual, including medical, surgical, dental, psychiatric, mental health, chiropractic, osteopathic, nursing or other professional health care; the use, prescription, furnishing or dispensing of medications, drugs, blood, blood products or medical, surgical, dental or psychiatric supplies, equipment or appliances in connection with such care; the furnishing of food or beverages in connection with such care; counseling or other social services in connection with such care; and the handling of, or the performance of post-mortem examinations on, human bodies.

Non-profit Insured Organization means any non-profit corporation, community chest, fund or foundation that is included in the definition of **Insured Organization** and that is exempt from federal income tax as a organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or any other **Insured Organization** organized for a religious or charitable purpose under any non-profit organization act or statute.

Nuclear Materials means any nuclear or radioactive substance or hazardous properties resulting from any nuclear reaction, nuclear radiation or radioactive contamination.

Provider Selection Practice means the evaluation, selection, credentialing, privileging or performing peer review of, or contracting with, any independently practicing health care professional providing medical services, including but not limited to physicians, surgeons, dentists, residents, fellows and doctorate professionals.

Provider Selection Practice Claim means any **D&O Claim** or **Insured Organization Claim** brought or maintained by a provider of medical services based upon, arising from, or in consequence of any **Provider Selection Practice**.

Utilization Review means the process of evaluating the appropriateness, necessity or cost of **Medical Services** for purposes of determining whether payment or coverage for such **Medical Services** will be authorized or paid for under any health care plan, but only if performed by an **Insured**. In clarification and not in limitation of the foregoing, **Utilization Review** shall include prospective review of proposed payment or coverage for **Medical Services**, concurrent review of ongoing **Medical Services**, retrospective review of already rendered **Medical Services** or already incurred costs, disease management, and case management.

- (d) Subsection III(A)(4) is deleted and replaced by the following:
 - (4) based upon, arising from, or in consequence of bodily injury, mental anguish, emotional distress, humiliation, sickness, disease or death of any person or damage to or destruction of any tangible property including loss of use thereof whether or not it is damaged or destroyed; provided that this Exclusion (A)(4) shall not apply to mental anguish, humiliation or emotional distress asserted in an employment-related **D&O Claim**;
- (e) Subsection III(A)(9) is amended by adding the following at the end thereof:
 - (c) involving tax exempt bonds and tax exempt bond holders.
- (f) No coverage will be available under this coverage section for any **Claim** against an **Insured** for any actual or alleged violation of the responsibilities, obligations or duties imposed by the Federal False Claims Act or any similar federal, state, or local statutory law or common law anywhere in the world, any federal, state, or local anti-kickback, self-referral or healthcare fraud and abuse law anywhere in the world, or amendments to or regulations promulgated under any such law; provided that this exclusion shall not apply to any **Claim** for any actual or alleged violation of Title II of the Health Insurance Portability and Accountability Act of 1996.
- (g) No coverage will be available under this coverage section for any **Claim** against an **Insured** based upon, arising from or in consequence of:
 - (i) any actual, alleged, or threatened exposure to, or generation, storage, transportation, discharge, emission, release, dispersal, escape, treatment, removal or disposal of any **Nuclear Materials**; or
 - (ii) any regulation, order, direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize any **Nuclear Materials**, or any action taken in contemplation or anticipation of any such regulation, order, direction or request,including but not limited to any **Claim** for financial loss to the **Insured Organization**, the **Outside Entity**, or any members, securityholders or creditors of the **Insured Organization** or **Outside Entity** based upon, arising from, or in consequence of any matter described in clause (i) or clause (ii) of this Exclusion.
- (h) No coverage will be available under this coverage section for any **Claim** against an **Insured** based upon, arising from or in consequence of:

- (i) any actual or alleged refusal to offer, issue or renew, or any cancellation of, any **Insurance Contract**;
 - (ii) any actual or alleged lack of good faith or unfair dealing in the handling of any claim or obligation under any **Insurance Contract**, or the brokering or underwriting of insurance policies or risks;
 - (iii) any actual or alleged conduct of any **Insured** in the negotiation, placement or maintenance of any **Insurance Contract**;
 - (iv) any failure to collect or pay premiums, commissions, brokerage charges, fees or taxes;
 - (v) any failure to obtain, effect or maintain insurance or reinsurance;
 - (vi) any failure to obtain, effect or maintain stop loss or provider excess coverage, whether by way of insurance, reinsurance or self-insurance;
 - (vii) any actuarial determination including without limitation opinions as to reserve adequacy or pricing adequacy;
 - (viii) any commingling or mishandling of funds with respect to any **Managed Care Activities** or any **Insurance Contract**;
 - (ix) the rendering of professional services for others in the **Insured's** capacity as an investment counselor, manager or advisor, investment banker, securities broker or dealer, financial planner or analyst, insurance agent or broker, general partner, limited partner or partnership unit distributor, or any similar capacity;
 - (x) the offering or sale of shares of any unit investment trust or management investment company or of variable annuity plans;
 - (xi) any diminution of assets in connection with the activities described in subparagraph (x) above; or
 - (xii) any error, misstatement, misleading statement, act, omission, neglect, or breach of duty in the performance of, or failure to perform any **Managed Care Activity** or **Provider Selection Practice** by any **Insured** or by any individual or entity for whose acts, errors or omissions an **Insured** is legally responsible.
- (i) No coverage will be available under this coverage section for **Loss** on account of any **Provider Selection Practice Claim**.
 - (j) The following Subsection is added to this coverage section:

SUBLIMITS OF LIABILITY

- (A) The Company's maximum aggregate liability for HIPAA Fines and Penalties on account of all **Claims** first made during the **Policy Period** shall be twenty-five thousand dollars (\$25,000), which amount shall be part of, and not in addition to, the Company's maximum aggregate Limit of Liability set forth in Item 2 of the Declarations for this coverage section.
- (B) The Company's maximum aggregate liability for EMTALA Fines and Penalties on account of all **Claims** first made during the **Policy Period** shall be fifty thousand dollars (\$50,000), which amount shall be part of, and not in addition to, the Company's maximum aggregate Limit of Liability set forth in Item 2 of the Declarations for this coverage section.

- (C) The Company's maximum aggregate liability for IRC Fines and Penalties on account of all **Claims** first made during the **Policy Period** shall be fifty thousand dollars (\$50,000), which amount shall be part of, and not in addition to, the Company's maximum aggregate Limit of Liability set forth in Item 2 of the Declarations for this coverage section.
 - (D) The Company's maximum aggregate liability for **Excess Benefit Transaction Excise Taxes** on account of all **Claims** first made during the **Policy Period** shall be ten thousand dollars (\$10,000), which amount shall be part of, and not in addition to, the Company's maximum aggregate Limit of Liability set forth in Item 2 of the Declarations for this coverage section.
- (3) The Employment Practices Liability Coverage Section of this policy, if purchased, is amended as follows:
- (a) Subsection III(A)(4) is deleted and replaced by the following:
 - (4) based upon, arising from, or in consequence of bodily injury, mental anguish, emotional distress, humiliation, sickness, disease or death of any person or damage to or destruction of any tangible property including loss of use thereof whether or not it is damaged or destroyed; provided that this exclusion (A)(4) shall not apply to any emotional distress, mental anguish or humiliation;
 - (b) No coverage will be available under this coverage section for any **Claim** against an **Insured** for any actual or alleged sexual abuse, sexual assault or sexual battery.
 - (c) Solely with respect to any **Third Party Claim** under this coverage section, if Third Party Liability Coverage is purchased, and notwithstanding anything to the contrary in Subsection X of the General Terms and Conditions of this policy:
 - (i) If in any **Claim** the **Insureds** incur both **Loss** that is covered under this coverage section and loss that is not covered under this coverage section, either because such **Claim** includes both covered and non-covered matters or because such **Claim** is made against both **Insureds** and others (including the **Insured Organization**), the **Insureds** and the Company shall allocate such amount between covered **Loss** and non-covered loss based on the relative legal and financial exposures of the parties to covered and non-covered matters and, in the event of a settlement in such **Claim**, based also on the relative benefits to the parties from such settlement. The Company shall not be liable under this coverage section for the portion of such amount allocated to non-covered loss.
 - (ii) If the **Insureds** and the Company agree on an allocation of **Defense Costs**, the Company shall advance on a current basis **Defense Costs** allocated to the covered **Loss**. If the **Insureds** and the Company cannot agree on an allocation:
 - (aa) no presumption as to allocation shall exist in any arbitration, suit or other proceeding; and
 - (bb) the Company shall advance on a current basis **Defense Costs** which the Company believes to be covered under this coverage section until a different allocation is negotiated, arbitrated or judicially determined.
 - (iii) Any negotiated, arbitrated or judicially determined allocation of **Defense Costs** on account of a **Claim** shall be applied retroactively to all **Defense Costs** on account of such **Claim**, notwithstanding any prior advancement to the contrary. Any allocation or advancement of **Defense Costs** on account of a **Claim** shall not apply to or create any presumption with respect to the allocation of other **Loss** on account of such **Claim**.

The title and any headings in this endorsement/rider are solely for convenience and form no part of the terms and conditions of coverage.

All other terms, conditions and limitations of this Policy shall remain unchanged.

<ENDSIG>

Authorized Representative

Rate Information

Rate data does NOT apply to filing.

Supporting Document Schedules

Satisfied -Name:	Uniform Transmittal Document- Property & Casualty	Review Status: Approved	07-06-2007
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Comments:

Attachment:

AR P&C trans & schedule 363.pdf

Satisfied -Name:	Filing Memo	Review Status: Approved	07-06-2007
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Comments:

Attachment:

FFP-PS Filing memo 363.pdf

Property & Casualty Transmittal Document

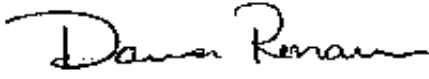
1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only	
	a. Date the filing is received:	
	b. Analyst:	
	c. Disposition:	
	d. Date of disposition of the filing:	
	e. Effective date of filing:	
	New Business	
	Renewal Business	
	f. State Filing #:	
	g. SERFF Filing #:	
h. Subject Codes		

3. Group Name	Group NAIC #
Chubb Group Of Insurance Companies	038

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Federal Insurance Company	IN	20281	13-1963496	
Executive Risk Indemnity Inc.	DE	35181	13-2912259	

5. Company Tracking Number	DO AR0036310F01
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Donna Ronan	State Filing Analyst	860-408-2103	860-408-2047	ronand@chubb.com
	82 Hopmeadow St. Simsbury, CT 06070				
7.	Signature of authorized filer				
8.	Please print name of authorized filer		Donna Ronan		

Filing information (see General Instructions for descriptions of these fields)

9.	Type of Insurance (TOI)	17.0000
10.	Sub-Type of Insurance (Sub-TOI)	17.0006
11.	State Specific Product code(s) (if applicable)[See State Specific Requirements]	N/A
12.	Company Program Title (Marketing title)	ForeFront Portfolio and Power Source for Health Care
13.	Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14.	Effective Date(s) Requested	New: upon approval Renewal:
15.	Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16.	Reference Organization (if applicable)	N/A
17.	Reference Organization # & Title	N/A
18.	Company's Date of Filing	7/5/2007
19.	Status of filing in domicile	<input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	DO AR0036310F01
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21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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In accordance with the laws of the State of Arkansas, we are filing the enclosed endorsements and 2 new applications applicable to the above products. These products were approved by the Department effective January 20, 2004 under our filing designation number DO AR0006610F01.

The endorsements are optional and premium bearing.

A corresponding Rating page is being filed under DO AR0036310R01

Enclosed with this letter to facilitate your review of ForeFront for Health Care Form filing are the following components:

Required State Forms (if applicable)

Filing Memorandum

Forms Listing (with appropriate number of sample copies of each form being submitted)

SERFF filing # CHUB-125211376

22.	Filing Fees (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
<p>Check #: 00362502 & 00362870 Amount: 100.00</p> <p>Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.</p>	

***Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms)
 (Do **not** refer to the body of the filing for the forms listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	DO AR0036310F01			
2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)	DO AR0036310R01			
3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement or Withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01	ForeFront Portfolio for Health Care New Business Application	14-03-0799 (Ed. 6/2007)	X New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02	ForeFront Portfolio for Health Care Renewal Application	14-03-0802 (Ed. 6/2007)	X New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03	ForeFront Portfolio for Health Care Organizations	14-02-13146 (06/2007)	X New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04	ForeFront Portfolio for Health Care Organizations (With Regulatory Exclusion)	14-02-13147 (06/2007)	X New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05	Power Source for Health Care New Business Application	C34276 (Ed. 6/2007)	X New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06	Power Source for Health Care Renewal Application	C34278 (Ed. 6/2007)	X New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07	Power Source for Health Care Organizations	14-02-13226 (06/2007)	X New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08	Power Source for Health Care Organizations (With Regulatory Exclusion)	14-02-13227 (06/2007)	X New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

**FILING MEMORANDUM
FEDERAL INSURANCE COMPANY
EXECUTIVE RISK INDEMNITY INC.
(MEMBERS OF THE CHUBB GROUP OF INSURANCE COMPANIES)**

**FOREFRONT PORTFOLIOSM (for Health Care Organizations)
POWER SOURCESM (for Health Care Organizations)**

The Health Care Omnibus Endorsements (Form number 14-02-13146 for ForeFront PortfolioSM, and Form number 14-02-13226 for the Power SourceSM) and the Health Care Omnibus Endorsements (with Regulatory Exclusion) (Form number 14-02-13147 for ForeFront PortfolioSM and Form number 14-02-13227 for Power SourceSM) have been created for healthcare organizations.

The Health Care Omnibus Endorsement and the Health Care Omnibus Endorsement (with Regulatory Exclusion) are identical but for the fact that 14-02-13147 and 14-02-13227 contain a regulatory exclusion and also any references to the declarations page for each product are slightly different. The ForeFront PortfolioSM and the Power SourceSM are identical policy forms, but for the declarations pages. The ForeFront PortfolioSM has one declarations page for each coverage section, whereas the Power SourceSM has only one declarations page for the entire product and this results in the difference in declaration page references on the endorsements. In addition to the endorsements, applications specific to healthcare organizations have been created for both the ForeFront PortfolioSM and the Power SourceSM.

The ForeFront PortfolioSM was filed as a Federal Insurance Company ("Federal") product, and the Power SourceSM was filed as an Executive Risk Indemnity Inc. ("ERII") product. Federal and ERII are members of the Chubb Group of Insurance Companies.